

October \_15\_\_\_\_, 2021

Mr. William E. Hatcher, President  
Hatcher Construction & Development, Inc.  
710 W. Atlantic Ave.  
Delray Beach, Florida 33444

Dear Mr. Hatcher,

We are pleased to inform you that the Delray Beach Community Redevelopment Agency (hereinafter referred to as "Lender") agrees and by acceptance of this commitment, the "Borrower" and "Guarantors" (as set forth below) accept the real estate Leasehold Construction Loan in the amount of One Million Four Hundred Thousand and 00/100 Dollars (\$1,400,000.00) to finance the development of two separate 2-story, 3,556 SF commercial buildings for a total of 7,112 SF of office/retail/commercial space and other improvements upon vacant land in Delray Beach, Florida. Our approval of your request is subject to the following terms and conditions:

BORROWER. Hatcher Construction & Development, Inc.

GUARANTORS. William E. Hatcher and Jeff K. Hatcher, jointly and severally.

LOAN AMOUNT. \$1,400,000.00 Term Loan

INTEREST RATE. Interest shall accrue on the loan at the rate of 3% per annum.

TERMS OF REPAYMENT. Payments of principle and interest accruing on the outstanding principal will be due on the first day of each consecutive month for eighty three (83) consecutive months. The loan shall mature on the eighty fourth (84<sup>th</sup>) month (Maturity Date) at which time all outstanding principal and accrued interest shall be due and owing.

MATURITY DATE. Seven (7) years from the date of closing.

COLLATERAL FOR THE LOAN. A Security interest on the improvements (First Mortgage) which shall create a valid first mortgage lien and security interest on the Property, together with Borrower's right title and interest in and to all improvements, fixtures and appurtenances located now or hereafter placed on the leased land at any given time.

PROPERTY. That certain real property located at 20 and 26 NW 6<sup>th</sup> Avenue, Delray Beach, Florida, as more particularly described on Exhibit "A".

PREPAYMENT. The Loan may be prepaid in whole or in part at any time.

PROJECT. The development proposal consists of the following: construction of two separate 2-story, 3,556 SF commercial buildings for a total of 7,112 SF of office/retail/commercial space. The first floor of each building will have the flexibility to accommodate office/retail/commercial with office space on the second floor of each building and other improvements built consistent with the site plan as approved by the City of Delray Beach, Florida.

LOAN COST. All of the costs related to the loan, including but not limited to, construction loan draw endorsements, title search, tax and municipal lien search, Uniform Commercial Code (UCC) searches and filings, surveys, recording costs, legal fees, documentary stamp tax, intangible tax and all costs of interim financing, and any other closing cost fee, are to be paid by Borrower. The title insurance premium for the loan policy issued hereto shall be paid by the Lender. Upon acceptance of this commitment, Lender will instruct its counsel to prepare the closing documents.

DISBURSEMENT OF FUNDS. The Lender funds shall not be available to be drawn down until such time that the Borrower's equity interest, equal to twenty (20%) percent of the total cost of the Project, has been expended. Thereafter the Borrower shall have the ability to draw down an amount which shall not exceed and shall constitute a proportionate share of the funds drawn down from the primary Lender in accordance with the primary Lender's draw schedule. Draws requests shall be a minimum of \$50,000 and accompanied by a certificate of work completed by a certified architect. The Lender shall have the right to have all costs and expenses identified by the Borrower in its draw request certified by an independent third party.

GENERAL CONDITIONS. This commitment is granted subject to the following general conditions:

The terms and conditions set out in this Commitment shall be construed, where possible to apply to the continuing relationship of the Lender and the Borrower.

The Commitment is subject to full compliance with all applicable State and Federal laws and regulations which may govern the Lender and to compliance with all formal directives of State and Federal Agencies implementing and enforcing such law, regulations and rules. Where there is a conflict between such laws and regulations and the terms of this commitment, such laws and regulations shall control.

Any and all references herein relating to the Lender's acceptance or approval of documents, reports, opinions or facts shall be in the sole and absolute subjective discretion of the Lender.

## DOCUMENTS

All of the documents required to consummate the loan, required during the term of the loan or affecting the security or relating to the Borrower's capacity and authority to make the loan and to execute the loan documents, and such other documents, instruments, certificates, opinions and assurances as the Lender may reasonably request, and all procedures in connection herewith, must be acceptable and approved by Lender and its counsel as to form and substance, with all expenses of such review and approval process to be paid by Borrower.

### A. LOAN DOCUMENTS

At the closing, the Borrower shall execute the following applicable documents together with the other documents which may be required by Lender or its counsel:

1. Promissory Note in the amount of \$1,400,000.00
2. First Leasehold Mortgage and Security Agreement on the Improvements
3. Uniform Commercial Code Financing Statements

4. Loan Closing and Disbursement Statement
5. Construction Loan Agreement
6. Hazardous Substance Certificate and Indemnification Agreement
7. Americans with Disabilities Act Certificate and Indemnification Agreement
8. Anti Coercion Statement
9. Flood Notice
10. Borrower Counsel Opinion Letter
11. Proof of Insurance
12. Building Permits
13. Additional documentation as requested by Lender's Counsel
14. Loan Guaranty Agreement
15. The Lender-approved General Contractor for the Project shall post a legally sufficient Performance and Payment Bond in an amount representing 100% of the cost of construction or in the alternative, the Borrower shall post a legally sufficient Payment Bond from the Borrower in the amount representing 100% of the cost of construction. The Bond posted by the General Contractor or the Bond posted by the Borrower shall identify the Lender as additional obligee. Prior to commencing construction of the Project, Borrower shall provide Lender with a copy of the Payment Bond or the Contractor's Performance and Payment Bond. In the event any contractor or subcontractor records a Claim of Lien, pursuant to chapter 713, Florida Statutes against the Property, Borrower shall take all necessary action to ensure that the Claim of Lien is released from the Property within ten (10) calendar days from its recordation or else shall protect Lender by a good and sufficient bond against any such lien or any cost, liability or damage arising in connection with any such lien.

B. OTHER DOCUMENTS

At least five (5) days prior to closing, the Borrower shall submit to Lender for review and approval the following applicable documents:

1. Authority to Borrow: The Borrower shall submit a certified copy of the Articles of Incorporation together with Certificate of Good Standing indicating that the corporation is validly existing and in good standing under the laws of the State of Florida and has all requisite powers of authority to carry out its business. As Borrower is a corporation, the corporation shall submit a certified copy of the corporation's Bylaws: such certification must be provided by the Secretary of the corporation. At closing, the Borrower shall submit a corporate resolution authorizing the appropriate officers or partners to execute all loan documents on behalf of the corporation and a Certificate of Incumbency from the corporation reflecting present officers, directors and signatories of the corporation.
2. Survey: A survey of the real property shall be made by a registered surveyor or civil engineer approved by Lender, which survey shall have been made not more than ninety (90) days prior to the date of closing which shall contain an accurate legal description of the property and show the same as contiguous to and not encroaching upon dedicated public streets, roads and highways. Such survey shall be certified to Lender, the law firm of Goren, Cherof, Doody & Ezrol, P.A. and the title insurance underwriter and shall conform to the minimum requirements of the Florida Land Title Association, shall specifically state the survey was prepared from dimensions taken upon physical inspection and measurement of the Property.

The survey shall further contain the legal description of and show all easements of record appearing as exceptions or notations in the title insurance commitment and policy along with all

proposed easements affecting the Property, the location of all improvements, utility lines and lot lines.

The survey signed and sealed with two (2) copies shall be delivered to the Lender at least ten (10) days prior to closing.

An as-built survey of the real property including all improvements shall be made by a registered surveyor or civil engineer approved by Lender shall be delivered to the Lender within thirty (30) days of the issuance of a Certificate of Occupancy for the Project and other improvements to be built on the Property.

3. Hazard Insurance: Borrower shall submit, at least forty-eight (48) hours prior to closing, a binder or policy of fire and extended coverage insurance in at least the amount of the loan or maximum insurable amount obtained from an insurance company. Any hazard insurance policy shall include a standard noncontributory mortgage clause providing for thirty (30) days notice to Lender prior to cancellation or material change in the policy and shall identify the Lender as The Delray Beach Community Redevelopment Agency, its successor and/or assigns. All original or certified copies of insurance policies shall be maintained by Lender.

4. Flood Insurance: This Commitment is subject to full compliance with the Flood Disaster Protection Act. Before the closing, the Lender shall receive a written certification that the property is in a flood hazard area or, in the event the Property is so designated, evidence that adequate flood insurance has been obtained. Any flood insurance policy shall include a standard noncontributory mortgage clause providing for thirty (30) days notice to Lender prior to cancellation or material change in the policy and shall identify the Lender as The Delray Beach Community Redevelopment Agency, its successors and/or assigns. All original or certified copies of insurance policies shall be maintained by Lender.

5. Attorney's Opinion Letter: Borrower shall provide an opinion letter from Borrower's counsel who must be an attorney-at-law licensed to practice in the State of Florida. The opinion shall include the following representations:

a. The present zoning classification of the Property, the intended use by Borrower, and that permitted uses include the intended use by Borrower.

b. That the Borrower has all necessary licenses, permits, and approvals of applicable governmental authority to use and operate the Property for the specific purposes contemplated by the Borrower as represented to the Lender (include the specific purposes in the opinion).

c. That the Borrower is (i) validly existing in good standing under the laws of the State of Florida and has all requisite powers and authority to carry on its business; (ii) duly licensed or qualified, in good standing, and authorized to do business in the state wherein the Property is located. Analogous information will be required for other types of entities.

d. That the Borrower has complied with all state and federal regulatory requirements, if applicable, regarding the construction of, use or sale of the Property. Such requirements include compliance with all applicable environmental laws and requirements to qualify for federal flood insurance.

e. That the loan has been duly authorized by all necessary action on the part of the Borrower and the security agreement constitutes a valid lien obligation of the Borrower enforceable in accordance with its terms.

f. That the making of the loan in accordance with the terms thereof does not constitute a violation (i) under any agreement or other limitation with respect to the borrowing power of the Borrower, or (ii) if any applicable state or federal law pertaining to usury and/or the maximum annual percentage rate of interest.

g. That there are no suits filed or claims made against the Borrower of a material nature that would in any way, jeopardize the loan or the ability of the Borrower to repay the same.

h. That after review of all the provisions of the note, the security agreement, the loan agreement and other loan documents with the Borrower, and based on such review and discussion (i) no event of default exists under any of the loan documents; (ii) no state of facts exist which but for notice and/or passage of time would constitute an event of default under any of the loan documents; (iii) the Borrower intends to borrow the full amount of the loan.

i. That any facts of which counsel has become aware in the loan closing process will not cause the Borrower to be in default under any law of the loan documents on the date of closing or shortly thereafter.

6. Governmental Authority: Upon request Borrower shall submit the certified true and complete copy from the applicable governmental authority of the ordinance establishing the zoning classification for the Property, a copy of the Ordinance establishing the uses permitted under that zoning classification, and a certificate that the Property described in the survey is the same property as is described in the zoning ordinance referred to above. If the proposed use is a "Special Exception Use", "Conditional Permit Use", "Planned Unit Development" or equivalent, the Borrower shall submit a certified copy of the Resolution or Ordinance approving such use, including a complete list of all conditions of approval. Borrower shall further furnish a copy of all licenses and other permits issued to the Borrower, including, without limiting the generality of the foregoing, the County Certificate of Concurrency Determination, Certificate of Currency Reservation, concurrence Exemption Determination or municipal equivalent Building Permit, which are necessary for the construction of the Project.

7. Environmental Laws: Subsequent to closing and during the term of the Loan, the Lender may request an environmental audit or assessment report of the real property and the improvements thereon at Borrower's expense, performed to the Lender's satisfaction by an acceptable and qualified environmental consultant or independent engineer verifying that no environmental contamination on the real property has occurred or is imminent and containing adequately supported and documented conclusions (which conclusions must be satisfactory to the Lender, in its sole discretion) which evaluate (i) whether any hazardous or toxic substances, hazardous wastes, pollutants, contaminants or any other environmental hazards are present in the soil, surface water or ground water at or adjacent to the subject property; (ii) whether operations at the subject property are in compliance with all federal, state and local air quality and water regulations and other applicable environmental laws; (iii) whether there are any other potential or actual environmental concerns from current or prior ownership and uses of the subject property. The contract between the Borrower and consultant for the conduct of an environmental audit or assessment shall contain a provision which expressly states the Lender is an intended beneficiary of the contract and is entitled to rely on any report of findings or conclusions or the results of the environmental audit.

All such assessments, studies, inspections and investigations deemed necessary by the Lender shall be conducted at Borrower's expense. The final documents relating to the transaction described in this Commitment will include, without limitation, covenant representations, warranties and indemnities as to the following:

- a. Current use of the subject property complies with all federal, state and local environmental statutes, regulations and ordinances.
  - b. The Borrower has not received a citation, notice or violation or formal complaint from any federal, state and local environmental agency for noncompliance.
  - c. The Borrower has no knowledge of any threatened environmental enforcement actions.
  - d. The Borrower has no knowledge of any soil or groundwater contamination or the release or discharge of toxic or hazardous substances, petroleum products, chemicals or other pollutants on the subject property.
  - e. The Borrower will covenant to comply with all present and future environmental laws and take remedial action upon the discovery of contamination.
  - f. The Borrower will indemnify and hold harmless the Lender against any and all damages, claims or causes of action arising from the present or ongoing usage of the subject property (including any improvements thereon) relating to the presence, release or discharge of toxic or hazardous substances, petroleum or petroleum products, chemicals, pollutants, or other contaminants on the subject property. Borrower shall be responsible for compliance with all environmental regulations and/or requirements of local, state or federal government prior to closing. Evidence of said compliance shall be submitted to Lender upon request.
8. Insurance. Borrower shall submit, at least forty-eight (48) hours prior to the closing, a binder or policy of "All Risk" casualty insurance insuring the Property naming the Lender as a mortgagee and loss payee in an amount not less than the full amount of the cost of construction. During Construction, Borrower shall maintain an "all risk" non-reporting builder's risk insurance policy as to the Improvement. All policies shall meet the Insurance standards. All insurance policies required by this Commitment shall be subject to the review and approval of the Lender prior to closing. On the closing date, Borrower shall furnish Lender with copies of and evidence of the payment of premiums of all such policies. Any insurance policy shall include a standard noncontributory mortgage clause providing for thirty (30) days notice to Lender prior to cancellation or material change in the policy. All original or certified copies of insurance policies shall be maintained by Lender.
9. Anti-Coercion Acknowledgement. The insurance laws of the State of Florida provide that the Lender as a Lender cannot require Borrower to take insurance through any particular insurance agent or company to insure the Property. The Borrower, subject to the rules adopted by the Florida Insurance Commission, has the right to have insurance placed with an insurance agent or Company of its choice, provided the company meets the Lender's reasonable requirements. The Lender has the right to designate reasonable financial requirements as to the Company and the adequacy of the insurance coverage. Borrower shall execute and deliver at closing an acknowledgement of this notice.

IMPROVEMENTS. Any and all improvements made to the Property together with fixtures and appurtenances now located or hereafter constructed, placed and located thereon.

ACCEPTANCE. If the terms and conditions contained herein meet with your approval, please so indicate your acceptance by signing and returning the original commitment and all the acknowledged exhibits by 10/18/\_\_\_\_\_, 2021.



DATE OF CLOSING. Lender's obligation to close the loan shall be contingent upon the issuance of a building permit by the City of Delray Beach but in no event earlier than site plan approval/conditional use approval and in no event later than the commencement of construction.

CONDITIONS PRECEDENT. The Lender obligations to close and fund the Loan are wholly contingent upon the following:

- A. **APPROVAL BY THE LENDER.** Approval by Lender of the budget relating to the construction of the Project and other anticipated expenses, together with an engineering cost review in connection with the plans and specifications for the Project. Borrower shall furnish to Lender for Lender's approval in Lender's sole discretion a construction cost budget with regard to the Project. The engineering review shall be prepared by an independent engineer satisfactory to Lender. The form of the cost review and budget, together with the categories, amounts and other information set forth therein, shall be satisfactory to Lender, in Lender's sole and absolute discretion. Borrower shall submit to the Lender supporting documentation for the costs of the engineering cost review for review for prior approval before incurring the expense and if approved, Lender shall be responsible for the cost of such cost review and the same shall be paid in full prior to closing.
- B. **CONSTRUCTION PLANS.** Approval by Lender of the construction plans and specifications applicable to the Project consistent with the terms of the Ground Lease entered into between the Lender and Borrower.
- C. **CONSTRUCTION DOCUMENTS.** Lender shall approve the general contractor, the architect, the engineer and the agreements to be executed between Borrower and such entities or individuals in connection with the Project. The general contractor agreement, all other architect and site engineering contracts, and Borrower's budget for construction of the Project must be satisfactory to Lender. The Lender hereby approves Hatcher Construction as the General Contractor, Clay Cube Inc as the Architect and Andrew Morgan as the Site Engineer for the Project.
- D. **CONSTRUCTION/ CONCURRENCY.** Borrower shall provide Lender with evidence that construction of the intended Project on the Property is either not subject to concurrency or that all the requirements of concurrency have been met and that all platting (if applicable) and permitting have been obtained, such evidence to be subject to the approval of Lender and Lender's counsel. Borrower shall furnish the building permit and all other permits associated with the construction of the Project requested for the Project, prior to closing.
- E. In the event the Borrower has misrepresented any material facts or there develops a material adverse change in the Project or the Borrower's ability to construct and complete the Project as determined by the Lender, in its sole and absolute discretion, the Lender shall not be obligated to close the Loan and may terminate this Commitment Letter.
- F. Borrower shall not be in default of the terms and provisions of the Ground Lease relative to this project.
- G. **WAIVER OF TRIAL BY JURY. BORROWER AND LENDER HEREBY MUTUALLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER BORROWER AND/OR LENDER AGAINST THE OTHER AND BASED UPON, ARISING OUT OF, OR CONNECTED WITH, THIS LETTER OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THE LOAN.**
- H. **Jobs Created Report.** The Borrower shall provide the Lender a statement as to the number and types of jobs created as a result of this loan. This statement will be supplied on a semi-annual basis for the first two (2) years after closing, then on an annual basis thereafter until

notified by the Lender that it is no longer required. However, this obligation shall expire with the full repayment of the Loan.

I. The Borrower shall hire local contractors and/or subcontractors to perform the construction work associated with the Project, pursuant to the Local Employment Program, which is attached hereto as Exhibit "B", and incorporated herein by reference.

J. This Commitment Letter will expire at 5:00 pm, \_\_\_\_\_, 2021 unless this original letter is signed where indicated, and returned to the attention of Renee Jadusingh, Executive Director, prior to said expiration date. Unless the Loan closes on or before commencement of construction, the Lender's obligations hereunder shall terminate.

It is agreed, acknowledged and understood that compliance with each of the above set forth conditions and all other conditions set forth in this letter are conditions precedent to Lender's obligations hereunder and the funding of the Loan.

#### ASSIGNABILITY OF RIGHTS UNDER COMMITMENT

This commitment is made in favor of only the entity to whom this Commitment addresses as "Borrower." This Commitment is not assignable by Borrower, or transferrable by operation of law, or otherwise, except with the prior written consent of Lender.

#### ADDITIONAL FINANCING

Any additional financing secured in any way by the Property, other than the loans contemplated herein included but not limited to Borrower's proposed leasehold mortgage in addition to any equipment leases Borrower may elect to use in the financing of the Project (collectively "Additional Loans"), shall have the prior written approval of Lender. There shall be no Financing Statements in effect other than those filed and recorded by Lender which name the Borrower as debtor and which pertain to any rights in personal property situated on the Project other than as contemplated herein and as it relates to the Borrower's proposed Additional Loans.

#### CONDEMNATION

At the time of closing of the loan, no proceeding shall have been threatened or commenced by any authority having the power of eminent domain to condemn any part of the Property which the Lender, in its sole judgment, deems substantial.

#### TERMINATION OF COMMITMENT

Lender reserves the right to cancel this Commitment and to terminate its obligations hereunder at any time before the loan closes, without any further liability or obligation to the Borrower, in any of the following events;

1. Failure of the Borrower to comply with the time specified, with any of the provisions or conditions applicable to this Commitment.
2. Filing by or against Borrower or any entity within the corporation of any petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee, or the making of an assignment for the benefit of creditors.
3. Any change subsequent to this Commitment, and prior to Closing, deemed by the Lender to be material or substantial in the financial condition, assets, net worth, or credit standing of the Borrower, or the taking of a judgment against the Borrower which, in the discretion of the Lender, could materially adversely affect financial solvency of the Borrower, or the ability of Borrower to perform under this Commitment specifically to construct and complete Project. This



shall include, but not be limited to, the initiation of any litigation against the Borrower, and Guarantors.

TERMS TO SURVIVE CLOSING

The terms of conditions set out in this commitment letter shall be construed where possible to apply to the continuing relationship of the Lender and Borrower and to supplement the various documents to be executed at closing, and to the extent the terms and conditions of this commitment letter shall survive closing.

MISCELLANEOUS

This Commitment in which the provisions hereof are incorporated, supersedes any and all prior communications, agreements, offers and statements, whether written or oral, made by the Lender or anyone acting per authorization on its behalf. No change, amendment or modification hereof shall be valid unless it be made in writing and signed by a duly authorized officer of the Lender.

This Commitment and the loan made pursuant thereto, are solely for the benefit of the Borrower, and this Commitment, or the terms thereof, are not to be displayed or communicated by the Borrower to any third party, without the prior written consent of the Lender. Except that the Borrower may communicate the terms of this Commitment and loan associated thereto with any person, persons, companies having or contemplating to have an interest in or acting in the capacity of an advisor, consultant, attorney, accountant.

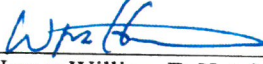
Very truly yours,

DELRAY BEACH COMMUNITY  
REDEVELOPMENT AGENCY

BY: \_\_\_\_\_  
Shirley E. Johnson, Chair


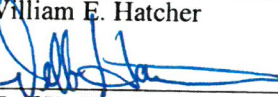
ACCEPTED THIS \_\_\_\_ day of \_\_\_\_, 2021

HATCHER CONSTRUCTION & DEVELOPMENT,  
INC.

By:   
Print Name: William E. Hatcher  
Title: President

ACCEPTED THIS 15 day of Oct, 2021

GUARANTORS:

By:   
William E. Hatcher  
By:   
Jeff K. Hatcher

ACCEPTED THIS 15 day of Oct, 2021

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

**20 NW 6<sup>th</sup> Avenue**

The East 130 feet of the North 100 feet of the South 302.1 feet of the South one-half of Block 12 of the City of Delray Beach (formerly Linton) according to the Plat thereof, as recorded in Plat Book 1, Page 3, of the Public Records of Palm Beach County, Florida;

Less and Except a parcel for right-of-way purposes in Section 12, Township 46 South, Range 43 East, Palm Beach County, Florida, conveyed to the City of Delray Beach, Florida by Right-of-Way Deed recorded May 17, 2021 in O.R. Book 32491, Page 5, Public Records of Palm Beach County, Florida, more particularly described as follows:

The West 2.00 feet of the East 130 feet of the North 100 feet of the South 302.1 feet of the South one-half of Block 12, City of Delray Beach, recorded in Plat Book 1, Page 3, of said Public Records.

Folio No. 12-43-46-16-01-012-0060

**26 NW 6<sup>th</sup> Avenue**

Lot 17, Block 12, Monroe Subdivision, according to the plat thereof, recorded in Plat Book 14, Page 67, of the Public Records of Palm Beach County, Florida;

Less and Except a parcel for right-of-way purposes in Section 12, Township 46 South, Range 43 East, Palm Beach County, Florida, conveyed to the City of Delray Beach, Florida by Right-of-Way Deed recorded May 17, 2021 in O.R. Book 32491, Page 5, Public Records of Palm Beach County, Florida, more particularly described as follows:

The West 2.00 feet of Lot 17, Block 12, Monroe Subdivision, recorded in Plat Book 14, Page 67, of said Public Records.

Folio No. 12-43-46-17-01-012-0170

**EXHIBIT "B"**

The Delray Beach Community Redevelopment Agency, as Lender, and Hatcher Construction & Development, Inc., as Borrower, have mutually recognized the interest of the local community in

creating new short-term and long-term employment opportunities for local residents as a result of this development project. Local hiring provides training and jobs to economically isolated residents. This has an immediate effect on residents' financial well-being, and the stability of their families. The added job opportunities and experiences provide lasting skills and increase residents' long-term earning potential. When redevelopment money, through local hiring, flows to local residents, those residents will spend much of it in the neighborhood, revitalizing the retail sector and preserving or creating additional jobs for their neighbors. The greater percentage of people living near where they work will also reduce vehicular congestion and improve the air quality both in the neighborhoods and the community as a whole.

The Lender has recognized the importance of local hiring with respect to redevelopment within the Lender's Redevelopment Area. Specifically, Part Four, Section 3.12 – Economic Development Incentives for Job Creation of the Delray Beach Community Redevelopment Agency's Redevelopment Plan, provides that investment within the redevelopment area "... can now be centered on the following: employment opportunities to include large-scale employers; a stronger employment base in close proximity to residents; and increased opportunities for minority business ownership in the area."

In an effort to support the Lender's Redevelopment Plan, and the Lender's goals and objectives, the Borrower has indicated a willingness to work with the Lender and other community partners to achieve these goals. The Borrower shall be required to hire local subcontractor(s) to perform labor that equates to fifteen percent (15%) of the total construction cost for the Project. Local in this context shall mean the subcontractor has an office located within the municipal boundaries of the City of Delray Beach. The Borrower shall:

- Collaborate with the Lender on notifying local contractors and vendors of bid opportunities related to the construction of the Project;
- Send written notification to the Lender notifying of the process and timing of bid opportunities and/or job openings;
- Maintain records of construction related bids received by the Borrower's announcements from Local Contractors;
- Maintain records of local persons who applied for jobs and those who were hired; and
- Documenting participation, if any, in local employment training programs.

Borrower shall reach the target goal for local employment as follows:

- During the Project construction phase: At least ten (10) bids for work or supplies are submitted by local contractors (business address or owner's home address is within US Postal Zip Codes 33444, 33445 and 33483 within the incorporated city limits of the City of Delray Beach ("Local Contractors")).