

2025 HOUSING BOND LOAN PROGRAM WORKSHOP

QUESTIONS AND ANSWERS

As of July 15 2025

1. In connection with the PBC RFP HED.HBLP.2025.2 will the below listed meetings be open to the public (i.e. in person or via the Web):

The answer below is responding to RFP HED.HBLP.2025.2-Affordable Housing Multifamily Development

August 22, 2025 - tentative responsive committee review:

- a. No, this is an internal review where staff will verify the accuracy of documentation that has been submitted.

September 5, 2025 - tentative selection committee review:

- b. Yes, this is a public meeting.

2. Item 5 of the RFP says: “The developer shall be required to comply with County insurance requirements at such time that an agreement is executed:

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Detailed insurance requirements and coverage limits will be outlined in the loan agreement, which must be executed prior to project closing. The current standard insurance requirements, as outlined in the standard agreement, are attached as Exhibit A.

3. The maximum number of points total 95 points; however, the RFP states a combined total of 100 points is possible. The discrepancy is in the max points available for the Targeting for very low-income housing units criterion for 10 points, however there is a 15-point item listed. Please confirm which is correct.

The answer below is responding to RFP HED.HBLP.2025.2- Affordable Housing Multifamily Development

- a. An addendum to correct Section III A scoring criteria 4 of the RFP will be modified to read: “15 Points- Targeting for very low-income housing units.”

4. What is the maximum request amount per unit and per project?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2 Workforce Housing Multifamily Development, Affordable Housing Multifamily Development

Multifamily rental developments

- a. Maximum request amount per unit: All County funding shall not account for more than 50% of the total unit costs.
- b. Maximum request amount per project: Total project funding will be based on a tiered system as outlined in the RFP's section 1E.

5. What is the total funding available?

The answer below is responding to RFP HED.HBLP.2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Total funding available is approximately \$165M

6. How is a County-Assisted Unit calculated as such?

The answer below is responding to RFP HED.HBLP.2025.2, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Housing units (rental and for-sale) constructed with bond proceeds shall be identified as "County Assisted" Housing Units. The number of County-Assisted units is determined by the proposer

7. Please clarify the following threshold item and provide an example - County funds will be provided on a per-unit basis, and the total of all County funding shall not account for more than fifty percent (50%) of the total unit cost as allocated to the County-Assisted funding units.

The answer below is responding to RFP HED.HBLP.2025.1, HED.HBLP.2025.2- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development

- a. For multifamily rental projects, County funding will be limited to no more than 50% of the per-unit cost for County-assisted units. For example, if the total development cost per unit is \$300,000, the maximum County contribution per County-assisted unit is \$150,000. This per-unit cost is calculated by dividing the total of all county funding sources by the number of County-assisted units.

8. Required criteria for Attachment 4 includes the following: If the project was funded in whole or in part by the Federal Government, State Government or local government, a letter from the appropriate government agency must be provided to confirm the project was completed satisfactory or if the project is still in process, that the work to date has been completed satisfactory to the governmental agency. Is this requirement for any project with audit findings, punitive sanctions, or adverse designations? If not, please specify.

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. The letter is required for any project that received funding from a federal, state, or local government entity, regardless of whether there were compliance issues. The purpose of the letter is to demonstrate that the applicant has a satisfactory performance history with publicly funded projects.

9. Attachment 4 requires principal owners involved in housing projects to document compliance with housing agreements issued by the Federal Government, State of Florida, as well as counties and municipalities within the State. For principals that own thousands of affordable housing units, would you please specify how you would like us to evidence this? Would a letter from the principal certifying compliance for a list of projects suffice?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. An addendum to correct Section II A number 4 of the RFP will be modified to read: *"Describe the experience of the Respondent in undertaking similar activities, including details of the last three (3) projects of similar scope and magnitude to the project proposed by the Respondent. The proposal shall include documentation of any audit findings, punitive sanctions, or adverse designations to which the Developer or its ownership entities have been subject within the past three (3) years for projects under development. If the project was funded in whole or in part by the Federal Government, State Government or local government, a letter from the appropriate government agency must be provided to confirm the project was completed satisfactory or if the project is still in process, that the work to date has been completed satisfactory to the governmental agency. In addition, the proposal shall include individual resumes that identify each of the proposed team members' experience in similar roles."* **Submit as Attachment 4.**

*This update to the RFP is in response to question 9. The removal of the referenced language addresses the concern raised. The principal owner is addressed as part of the ownership entity.

10. For attachment 8, specifically the municipal financial contribution and attachment 11, evidence commitment to provide funding or another form of assistance, will a waiver of impact fees meet the requirement? If so, will the completed and signed Florida Housing Finance Corporation (FHFC) Local Government Verification of Contribution-Impact Fees form meet this requirement? For reference see under "Forms Related to RFA 2024-202" -

[https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2024/2024-202 \[floridahousing.org\]](https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/2024/2024-202 [floridahousing.org])

The answer below is responding to RFP HED.HBLP.2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Yes, for both questions.

11. Are the 10 points for Project Readiness tied to Attachment 9 requirement, Project Schedule, or Attachment 10-Shovel Ready items?

The answer below is responding to RFP HED.HBLP.2025.2-, Affordable Housing Multifamily Development

- a. No, they are not directly tied to the submission of attachments 9 & 10. While certain attachments are required for RFP compliance, the scoring criteria are evaluated independently and reflect the Selection Committee assessment of each projects alignment with the program goals.

12. To earn 20 points for leveraging, should it be "less than or equal to \$50,000 per unit" rather than just "less than \$50,000 per unit"?

The answer below is responding to RFP HED.HBLP.2025.1, HED.HBLP.2025.2- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development

- a. An addendum to correct Section III A scoring criteria 1 of the RFP will be modified to read: "20 Points: Less than or equal to \$50,0000 per unit".

13. Can a project that has already started construction participate in the RFP?

The answer below is responding to RFP HED.HBLP.2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Yes, a project that has already started construction can participate in the RFP, however the County requires a clear explanation and documentation detailing the need for additional funding at this stage of the project. The project must meet all RFP requirements.

14. When is the Board of County Commissioners final approval?

The answer below is responding to RFP HED.HBLP.2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Conceptually approved projects that meet the prerequisites will be sent to the Board of County Commissioners for final approval. The tentative date for final approval is set for 1/09/2026 but may change based on individual project readiness.

15. Explain the WFH rental rates in comparison to HUD Fair Market Rent (FMR) for the applicable unit size. Should we use 110% AMI and less than 90% of FMR? Can this be expressed as a % over the HUD FMR?

The answer below is responding to RFP HED.HBLP 2025.1- Workforce Housing Multifamily Development

- a. Fair Market Rent is not a requirement of the RFP and will not be a consideration for the Selection Committee or staff during the evaluation process. However, when projects are presented to the Board of County Commissioners (BCC), staff will provide Fair Market Rent data, which the BCC may consider when making funding decisions

16. In HBLP.2025.3, the RFP reads "No more than 50% of the County-Assisted Units in For-Sale Housing Developments shall serve households with incomes at 140% AMI." Does that mean that the program will only support 50% of housing? Or that 50% must be at 140% AMI and any additional units being supported must be lower than 140%?

The answer below is responding to RFP HED.HBLP 2025.3- For-sale Housing Development

- a. An addendum to correct the 4th bullet point of Section 1E of the RFP will be modified to read: *"No more than 50% of the County-Assisted Units in For-Sale Housing Developments shall serve households with incomes greater than or equal to 120% AMI"*.

17. Can you define the parties on a "team" that factor into the experience score? Developer, contractor, legal, Architect, property manager, engineer, and others. Do all these parties' factor or just the Developer? If most or all, how is each weighted?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. This is a subjective score given by each Selection Committee member. As such, the proposer should include those individuals that would be considered key components in the project.

18. If a prospective project is financed by FHFC HTC or SAIL and/or PBCHFA tax-exempt bonds, what is the County's preference for determining the amount of "County-Assisted Units?" Would it still be no less than 10% or 10 units?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. The Developer will determine the number of units using guidelines as outlined in the RFP. The 10% or 10 units is a minimum requirement for consideration as outlined in Section IE of the RFP.

19. Leveraging: we understand that we cannot use in lieu fees; however, could we use SHIP funds if available? Particularly if some of the units are provided at 50% AMI.

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Yes, SHIP may fund development costs of County-assisted units.

20. In referencing the new item and adjusting my previous question, does this mean 50% of funds must be for 120% or lower AMI, and the other 50% can be for 140% AMI?

The answer below is responding to RFP HED.HBLP.2025.3- For-sale Housing Development

- a. Yes. At least 50% of the County-assisted homeowner (for-sale) units shall serve households with incomes no greater than 120% of AMI.

21. Please clarify, if the project received density bonuses via PZB workforce housing program, is it correct that those units will not be qualified for the bond financing?

The answer below is responding to RFP HED.HBLP 2025.1- Workforce Housing Multifamily Development

- a. Units that are committed to satisfy PZB Workforce Housing or a local municipal obligation—such as those required to obtain a density bonus or similar development incentive—are not eligible for County funding.

22. Is non-profit a 0% interest rate? I did not see that clarification in the application.

The answer below is responding to RFP HED.HBLP.2025.2- Affordable Housing Multifamily Development

- a. Yes. The rate for non-profit is 0% on Affordable Housing units.

23. Will principal amortization be 50 years?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development

- a. Yes. Principal amortization may be 50 years to improve debt service coverage and reduce monthly payments; however the full outstanding balance is due in 20 years from the note date. Final amortization will be determined during the underwriting process.

24. Can you distribute a copy of this slide presentation?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3-- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. The slide presentation has been posted on HED's website along with all questions and answers from this workshop.

25. Please clarify if we can use SHIP, particularly if we cannot leverage the density bonuses?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3-- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Yes. SHIP funds are permitted and do not restrict the number of County units.

26. What is considered a firm non-County funding commitment?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3-Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. A conditional commitment from a lender or other funding source that outlines the amount, terms, and conditions of the funding to be provided. It may outline standard conditions but it must demonstrate the lenders clear intent to fund the project.

27. Does the BOCC want 2-3% interest rate on workforce loans? Or all loans? Saw earlier that affordable is 0-1% interest. Please clarify!

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2-- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development

- a. 2-3% rates are on the Workforce Housing projects; 0-1% are on Affordable Housing projects

28. Fair Market Rents? Are they looking at the HUD published Fair Market Rents countywide or do you believe we have to look at the specific zip code or census tracts? Those may be different

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-Sale Housing Development

- a. HUD Fair Market Rents are based on zip codes and will be presented to the Board of County Commissioners as part of any funding recommendation by Staff.

29. Is a Non-Binding Letter of Intent considered a "commitment?"

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. No. This is not considered a commitment

30. Can you start to upload items and save your document?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Yes. You can start uploading documents, save as a draft then complete your submission at a later time. Please note once you click *submit*, you will no longer be able to make edits or modifications to your RFP response.

31. Is it proof that the site plan has been submitted to the jurisdiction of authority for approval a threshold requirement for the application? Or is it scoring criteria?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. This is a threshold requirement.

32. Could we get a template or some additional guidance or the loan term sheet as stated in the RFP? As it is a threshold item, different lenders write term sheets for conditional commitment letters differently.

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. We do not have a template for a loan term sheet for other lenders.

33. If our lender has specific questions regarding the PBC security instrument, who can we discuss these questions? Is there an in-house council or outside attorney?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. All questions should be directed to the Housing Bond team, if any question requires review by the County Attorney, we will coordinate directly with their office.

34. What are the expectations on per unit costs per multi-family?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. We have no set expectations on per unit costs.

35. Can you confirm - projects will need to submit for site plan approval to the local jurisdiction to be deemed eligible for the affordable RFP? Is this a threshold requirement?

The answer below is responding to RFP HED.HBLP 2025.2- Affordable Housing Multifamily Development

- a. This is a threshold requirement.

36. Is the land cost considered in the total unit cost calculation?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Yes, funds expended to purchase land can be considered as part of cost calculation.

37. Has our attendance been noted, or are we required to sign an affidavit?

The answer below is responding to RFP HED.HBLP 2025.1, HED.HBLP.2025.2, HED.HBLP.2025.3- Workforce Housing Multifamily Development, Affordable Housing Multifamily Development, For-sale Housing Development

- a. Yes, your attendance is being noted. Our new online portal has a designated section where you will acknowledge that you have either attended the live workshop or have viewed the recording on our website.

38. Is providing 90% of allowable rents for County-Assisted Housing Units a threshold item for the RFP?

The answer below is responding to RFP HED.HBLP 2025.2- Affordable Housing Multifamily Development

- a. The reference to the 90% rule in the Rental Affordability scoring of the Affordable RFP (RFP HED.HBLP.2025.2) is not correct. An addendum to correct Section III A scoring criteria 5 of the RFP will be modified to read:
“Rent limits in County-Assisted Housing Units shall not exceed the Allowable Rental Rates as defined herein. Those projects that provide greater rental affordability will receive additional points as follow.”

39. Section I(K) of the attached RFP states that the loan will require repayment of principal and interest. Section 2(B)(4)(b) of the attached Bond Proceeds Allocation Process, as well as the standards outlined in the May 2025 Commission agenda item (both attached for reference), states that the loan may be fully amortizing or may be interest only during the first 10-years of the loan. With the RFP being silent on any interest-only component of the loan, is there an option for the first 10 years of the loan being interest only or is the Bond Proceeds Allocation Process incorrect?

The answer below is responding to RFP HED.HBLP 2025.2- Affordable Housing Multifamily Development

- a. The Allocation Process as approved earlier this year is correct. The Affordable RFP does not specifically address the interest only option for the first 10 years as it will be determined during the initial underwriting process, but it is an approved option that is available. The last paragraph of Section 1(E) references the Allocation Process and states that all projects must be consistent with approved criteria. Developers can propose financing terms that are consistent with the Housing Bond Allocation Process.

40. The Bond Proceeds Allocation Process also states that payment of the loan debt service is subject to cash flow, but the RFP does not mention any payments being subject to cash flow. Please clarify if the payments can be subject to available cash flow, and if payments can be subject to available cash flow, please provide the percentage of available cash flow that payments are subject to, if available.

The answer below is responding to RFP HED.HBLP 2025.2- Affordable Housing Multifamily Development

- a. The Housing Bond Allocation Process provides the “subject to available cash flow” option for Affordable Housing Multifamily Rental Projects. In instances in which the RFP is silent or non-specific, developers can propose financing terms that are consistent with the Housing Bond Allocation Process.

EXHIBIT A

Insurance:

Borrower shall, at its sole expense, maintain in full force and effect at all times during the life of this Contract, insurance coverages and limits (including endorsements), as described herein. BORROWER shall provide the COUNTY with at least ten (10) days prior notice of any cancellation, non-renewal or material change to the insurance coverages. The requirements contained herein, as well as the COUNTY's review or acceptance of insurance maintained by BORROWER are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by BORROWER under the Contract.

Commercial General Liability

BORROWER shall maintain Commercial General Liability at a limit of liability not less than \$1,000,000 each occurrence. Coverage shall not contain any endorsement excluding Contractual Liability or Cross Liability unless granted in writing by COUNTY's Risk Management Department. BORROWER shall provide this coverage on a primary basis.

Worker's Compensation Insurance & Employers Liability

BORROWER shall maintain Worker's Compensation in accordance with Florida Statute Chapter 440. Policy shall include Employer's Liability with not less than \$1,000,000 each accident. BORROWER shall provide this coverage on a primary basis.

Additional Insured

BORROWER SHALL ENDORSE THE COUNTY AS AN ADDITIONAL INSURED WITH A GC 2026 Additional Insured – Designated Person or Organization endorsement, or its equivalent, to the Commercial General Liability. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents." BORROWER shall provide the Additional Insured endorsements coverage on a primary basis.

Waiver of Subrogation

BORROWER hereby waives any and all rights of Subrogation against the COUNTY, its officers, employees and agents for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter

into a pre-loss agreement to waive subrogation without an endorsement to the policy, the BORROWER shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which specifically prohibits such an endorsement, or which voids coverage should BORROWER enter into such an agreement on a pre-loss basis.

Certificates of Insurance

Prior to execution of this Agreement, BORROWER shall deliver to the COUNTY's representative a Certificate(s) of Insurance evidencing that all types and amounts of insurance coverages required by this Agreement have been obtained and are in full force and effect. Such Certificate(s) of Insurance shall include a minimum of ten (10) day endeavor to notify due to cancellation or non-renewal of coverage. The Certificate of Insurance shall be issued to:

Palm Beach County Board of County Commissioners
C/O Department of Housing and Economic Development
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

Umbrella or Excess Liability

If necessary, BORROWER may satisfy the minimum limits required above for Commercial General Liability, Business Auto Liability, and Employer's Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an Aggregate limit not less than the highest "Each Occurrence" limit for either Commercial General Liability, Business Auto Liability, or Employer's Liability. The COUNTY shall be specifically endorsed as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance notes the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.

Right to Review, Revise or Reject

COUNTY, by and through its Risk Management Department, in cooperation with the Contracting/Monitoring Department, reserves the right to review, modify, reject or accept any herein required policies of insurance, including limits, coverages, or endorsements, from time to time throughout the term of this Contract. COUNTY reserves the right, but not the obligation, to review and reject any insurer providing coverage because of its poor financial condition or failure to

operate legally

Builder's Risk Insurance (During Construction)

With respect to any of the work involving the construction on the real property (buildings and improvements other than buildings) during the construction project, the BORROWER shall maintain Builder's Risk insurance providing coverage for the entire work at the project site, and will also cover portions of work located away from the site but intended for use at the site, and will also cover portions of the work in transit. Coverage shall be written on an all-risk, replacement cost, and completed value from basis in an amount at least equal to the projected completed value of the Project as well as subsequent modifications of that sum. If a sublimit applies to the perils of wind or flood, the sublimit shall not be less than 25% of the projected completed value of the Project. The deductible shall not exceed \$50,000, without previous County approval, nor shall a wind percentage deductible, when applicable, exceed five percent (5%) of values at risk at time of loss subject to a \$250,000 minimum.

Partial occupancy or use shall not commence until insurance company or companies providing insurance as required have consented to such partial occupancy or use. BORROWER shall take reasonable steps to notify and obtain consent of the insurance company or companies, and agrees to take no action, other than upon mutual consent, with respect to occupancy or use that could lead to cancellation, lapse, or reduction of insurance.

The coverage must be in effect prior to the Notice to Proceed and shall be kept in force until Substantial Completion has occurred, , or until BORROWER and COUNTY mutually consent to the termination, whichever comes first. BORROWER agrees and understands the COUNTY shall not provide any Builders Risk insurance on behalf of BORROWER for loss or damage to work, or to any other property owned or hired by the BORROWER. In the event of a claim, BORROWER shall be responsible for payment of the deductible amounts.

Should any of the Work hereunder involve the hauling and/or rigging of property in excess of \$500,000 or \$250,000 in transit, BORROWER shall procure and maintain all-risk transit or motor truck cargo insurance or a similar form of coverage insuring against physical damage or loss of property being

transported, stored, moved, or hauled by BORROWER, OR ANY Subcontractors, pursuant to the terms of this Contract, subject to the limits, terms and conditions set forth herein.

The Contractor shall endorse the County as a Loss Payee on the Builder's Risk and Inland Marine/Transit insurance, when required to be maintained by the Contractor. The Loss-Payee endorsement shall read "Palm Beach County Board of County Commissioners." Endorsement shall be in accordance with all of the limits, terms, and conditions set forth herein. The Contractor shall agree the Loss/Payee endorsement provides coverage on a primary basis.

Property Insurance (Upon Completion of Construction)

In addition to the coverages mentioned as required earlier in the insurance provisions, upon completion of the initial project construction, BORROWER shall maintain the following additional property insurance coverages:

Property Insurance – in an amount not less than 100% of the total replacement cost of any building, additions, betterments and improvements of the Property, including those made by or on behalf of Tenant, as well as Tenant's personal property and contents located on the Premises. The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special-Cause of Loss (All-Risk) form and include an endorsement for Ordinance & Law in an amount not less than 15% of the property insurance limit.

Flood Insurance(if applicable) –in an amount not less than 100% of the total replacement cost of any buildings, additions, betterments, or improvements, including those made by or on behalf of; or the maximum amount available from the National Flood Insurance Program, whichever is less.

Windstorm Insurance – unless included as a covered peril in the property insurance, in an amount not less than 100% of the total replacement cost of any buildings, additions, betterments or improvements, including those made by or on behalf of the BORROWER as well as Tenant's personal property and contents located on the Premises, or the maximum amount available under the Florida Windstorm Underwriting Association, whichever is less. BORROWER shall ensure such coverage is provided on a primary basis.

Insurance Proceeds

The Borrower shall keep the Premises continually insured in an amount not less than the insurable value of the Premises, which coverage shall insure the Premises against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the County, in its reasonable discretion, shall from time to time reasonably require, for the benefit of the County. All such insurance at all times will be with an insurance company or companies in such amounts and with terms acceptable to the County, payable to the County, as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be reasonably satisfactory to the County. Upon the issuance of such policies, Borrower will deliver to the County copies of receipts for the premiums paid thereon, certificates of insurance, and copies of such policies. In the event of a foreclosure or other transfer of title to the Premises in lieu of foreclosure, or by purchase at the foreclosure sale, all interest in any proceeds due in connection with any claims made under the policy(ies) (for events arising prior to the title transfer) shall pass to County, transferee or purchaser, as the case may be. Subject to the provisions of the Senior Mortgage (if applicable), should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Premises, then in such event, County and Borrower may jointly elect to use the proceeds for the reconstruction and repair of the Premises or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not. Notwithstanding anything to the contrary contained herein, if there is no Event of Default that is continuing, Borrower shall have the right to use the insurance proceeds for the reconstruction of the Premises provided the Borrower can provide evidence to the County of sufficient funds from other sources available to effectively rebuild the Project in compliance with the terms of this Agreement and the herein described HBLP funding. This section is subordinate and subject to the Senior Mortgage (if applicable).