

**ADDENDUM NO. 1 TO AGREEMENT FOR
HOME INVESTMENT PARTNERSHIPS PROGRAM (CFDA 14.239),
STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM (CSFA 52.901),
NEIGHBORHOOD STABILIZATION PROGRAM – 1 AND 2 (CFDA 14.256)
FUNDS FOR
KEYSTONE CHALLENGE FUND, INC.
PASCO OPPORTUNITY PROGRAM**

THIS ADDENDUM by and between Pasco County, a political subdivision of the State of Florida, hereinafter referred to as "COUNTY," and KEYSTONE CHALLENGE FUND, INCORPORATED, with a mailing address of 2005 South Florida Avenue, Lakeland, Florida 33803 hereinafter called "SUB-RECIPIENT", for the use and benefit of its HOME Investment Partnerships (HOME), State Housing Initiatives Partnership (SHIP), and Neighborhood Stabilization Programs 1 and 2 (NSP-1 and NSP-2) funds under the Pasco Opportunity Program (POP), amending the original agreement between the parties dated May 27, 2008.

W I T N E S S E T H:

WHEREAS, on May 27, 2008 (CD08-236), the COUNTY approved the SUBRECIPIENT as a POP agency; and

WHEREAS, on February 2, 2009 (CD09-132), the COUNTY approved the SUBRECIPIENT for expenditure of NSP-1 funds; and

WHEREAS, on March 16, 2010 (CD10-277), the COUNTY approved the SUBRECIPIENT for expenditure of NSP-2 funds; and

WHEREAS, Revised Exhibit A, as attached, replaces the existing Exhibit A to the original agreement; and

WHEREAS, Revised Exhibit A, Item 12, as attached, shall be amended to allow the SUBRECIPIENT to receive Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) as a partial developer fee at the time when property is acquired and up to ten (10) percent of the sales price (minus the \$2,500.00) if there is a profit when the property is sold to a homebuyer. If there is no profit, or if the profit is less than Five Thousand and 00/100 Dollars (\$5,000.00), the agency will receive an additional Five Thousand and 00/100 Dollars (\$5,000.00).

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein, the parties agree as follows:

1. WHEREAS CLAUSES

The WHEREAS clauses set forth above are incorporated herein by reference and made a part of this addendum.

2. The parties hereby ratify, confirm, and agree to be bound by all terms and conditions of the original agreement, not inconsistent herewith, dated May 27, 2008, and all subsequent addenda thereto.

3. The attached Revised Exhibit A replaces the existing Exhibit A to the original agreement.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be executed on this _____ day of _____, _____.

(SEAL)

BOARD OF COUNTY COMMISSIONERS
OF PASCO COUNTY, FLORIDA

ATTEST:

PAULA S. O'NEIL, CLERK AND COMPTROLLER

PAT MULIERI, Ed.D., CHAIRMAN

WITNESSES:

KEYSTONE CHALLENGE FUND, INC.

By: _____

JEFF BAGWELL
Print

Its: PRESIDENT / EXECUTIVE DIRECTOR

REVISED EXHIBIT A ADDENDUM NO. 1

DESCRIPTION: KEYSTONE CHALLENGE FUND, INC.

1. The intention of the COUNTY in the funding of the SUBRECIPIENT is to provide a funding for housing new homebuyers.
2. Property may be acquired by the SUBRECIPIENT in one of three ways: the SUBRECIPIENT can buy the property with assistance from the COUNTY; it can obtain the property without assistance from the COUNTY; or the COUNTY can transfer its own property to the SUBRECIPIENT. In the last case, the COUNTY shall assign a value to the property and actually sell it to the SUBRECIPIENT. If the property was obtained by the COUNTY by a funding source other than the one that is principally funding in the original agreement, the COUNTY may transfer funds to the account from where the property was purchased. When the property is purchased from a non-public source, an independent appraisal will be required by the COUNTY, unless waived by the POP Administrator.
3. Once the property is transferred, the SUBRECIPIENT shall sign a note and mortgage; the amount based on the sales price and any estimated improvement cost. The note shall have one year term and a zero percent interest rate.
4. If the SUBRECIPIENT purchases a property that is in need of rehabilitation, the SUBRECIPIENT shall use the procedures outlined in the Owner Occupied Rehabilitation Program policy statement, with the SUBRECIPIENT acting as the owner with the exception that the rehabilitation must be bid out and the low bidder selected, unless otherwise approved by the COUNTY.
5. If the SUBRECIPIENT is building a new home, the SUBRECIPIENT must use the Pasco County Community Development Division's affordable models and Pasco-certified Affordable Builders.
6. **The SUBRECIPIENT shall sell the property to income eligible families, as defined by the FHFC and HUD. The COUNTY must review new-buyer case files before any properties are sold.**
7. The SUBRECIPIENT may not sell a property for more than the limits defined by the FHFC and HUD.
8. Funds may be used for any and all expenses related to development of the property, including, but not limited to, appraisal and surveying fees, insurance, architectural attorney fees, demolition services, marketing, construction acquisition, rehabilitation, and any other costs, as determined by the POP Administrator.
9. All construction projects shall be encumbered and paid through internal purchase orders.
10. Any projects that have total costs estimated to be more than \$200,000.00, shall require Board of County Commissioners approval.
11. Before any property is purchased, it must be approved by the POP Administrator.
12. **Fee structure for the SUBRECIPIENT shall be Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) as a partial developer fee at the time when property is acquired and up to ten (10) percent of the sales price (minus the \$2,500.00) if there is a profit when the property is sold to a homebuyer. If there is no profit, or if the profit is less than Five Thousand and 00/100 Dollars (\$5,000.00), the agency will receive an additional Five Thousand and 00/100 Dollars (\$5,000.00).**
13. There may be times when the sales price does not pay back all of the costs incurred on the project. This may be particularly true in purchase/rehabilitation cases. In these cases, the COUNTY may forgive that part of the loan. This shall be at the discretion of the POP Administrator. No Board of County Commissioners action is required.