LAND USE RESTRICTION AGREEMENT
AND DEED RESTRICTIONS
FOR HARVEY VENGOFF
d/b/a FOREST COVE APARTMENTS

THIS LAND USE RESTRICTION Agreement and DEED RESTRICTIONS (hereinafter Agreement) is made and entered into by and between the County of Manatee, a County existing by and under the laws of the State of Florida (hereinafter referred to as the "County") and Harvey Vengroff, (hereinafter referred to as the "Owner").

Recitals

WHEREAS, the Owner owns certain land described in Exhibit "A" attached hereto and incorporated herein by reference, hereinafter referred to as the "Property"; and

WHEREAS, the Owner agrees to comply with certain occupancy, rent and resale restrictions for the remaining useful life of the Property; and

WHEREAS, the Owner is composed of the parties listed on Exhibit "B" attached hereto and incorporated herein by reference; and

WHEREAS, the County has treated the development of the Property (hereinafter defined as the AProject®) as an affordable housing project within the meaning of such term under the County's Land Development Code, based upon Owner's promise to provide affordable housing as provided in this Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

Definitions

Section 1.1 General. Capitalized terms used in this Agreement shall have, unless the context clearly states otherwise, the meaning specified in this Article I. Certain additional terms may be defined elsewhere in this Agreement.
AFFordable Unit shall mean any dwelling unit located within Manatee County which is designed and intended for the primary purpose of providing decent, safe and sanitary residential units that are designed to meet the standards of Chapter 553, Florida Statutes, (excluding mobile and manufactured homes) for home ownership or rental for eligible persons. Eligible affordable housing units shall not exceed the maximum rent limits as defined by the Florida Housing Finance Corporation, as amended.

(b) "Agreement" means the Land Use Restriction Agreement and the Deed Restriction Agreement, as it may from time to time be amended.

(c) "Dwelling Unit" means a residential accommodation constituting a part of the Property and containing separate and complete living facilities.

(d) "Elderly" describes a person 62 years of age or older.

(e) "Elderly Household" describes a household wherein at least one-half of the residents are elderly.

(f) "Eligible Persons or Household" means one or more natural persons or a family determined by Manatee County to be of very low income, low income, or moderate income according to the income limits adjusted to family size published annually by the United States Department of Housing and Urban Development based upon the annual gross income of the household.

(g) "Project" means the single family rental housing development to be located on the Property described in Exhibit "A", with a maximum of three (3) Dwelling Units.

(h) "Rental Housing" means housing units made available for rental and not ownership, by eligible persons who are members of the general public, each of which units shall contain complete living facilities which are to be used other than on a transient basis and facilities which are functionally related and subordinate to the living facilities. The housing units shall at all times be constructed and maintained in substantial accordance with applicable Manatee County Building Code Standards.

**ARTICLE II**

**Use, sale and Occupancy of the Property**

Section 2.1 The Owner shall maintain the Property as single family rental housing and shall rent and hold available for rental as Affordable Units one hundred percent (100%) of the three (3) Dwelling Units in the Project for the life of the Agreement to an Eligible Person or Household. Owner shall, upon occupancy of the Property initially or by an new occupant thereafter, and once annually in the event of continuing occupancy, provide certification to County of the household income and such other information as may reasonably be required by County to verify compliance with this Agreement. The certification and other information shall be provided in such manner and on such forms as provided or approved by County.
Nothing in this Section 2.1 shall be deemed to limit the rights otherwise herein reserved by County to audit, monitor, inspect, and make investigations to determine compliance with this Agreement.

Section 2.2 For purposes of complying with the requirements set forth in Section 2.1 above, if the income of the household in a Dwelling Unit did not exceed the applicable income limit (adjusted for the number of persons residing in the Dwelling Unit) at the commencement of such resident's occupancy, such person(s) or family may be treated as continuing to be very low, low, or moderate income household. Any household in a dwelling unit which exceeds the applicable income limit shall, upon vacancy, be rented to a household with the appropriate very low, low, or moderate income limits.

Section 2.3 The property on the future land use map is designated as ROR (Retail/Office/Residential) and is zoned GC (General Commercial). This Project was specifically approved by the County for the purpose of providing affordable rental housing, and the Project shall be managed and operated as single family rental housing.

Section 2.4 The Owner shall comply with all the requirements of the Comprehensive Plan, all standards and requirements of the Manatee County Land Development Code (LDC), Manatee County Building Codes and the approved preliminary and final site plans for the Property and all conditions or stipulations thereto. In addition, all future development of the property shall be consistent with this Agreement.

Section 2.5 The Owner shall maintain the Project in a condition which is consistent to comply with the Land Development Code and the Standard Housing Code.

Section 2.6 That during the Term of this Agreement the Owner will not convert the Project to condominium ownership.

Section 2.7 That the Owner shall not discriminate on the basis of race, creed, religion, color, sex, familial status, national origin or handicap in the lease, use or occupancy of the Project. Age discrimination and discrimination against minor dependents, except when units are specifically being held for the elderly, are also not permitted.

Section 2.8 The Owner hereby covenants and agrees that it will immediately withdraw from circulation any advertisement determined by the County to violate or be inconsistent with its policies, with respect to promoting rental housing and consents to the remedy of specific performance.

ARTICLE III

Administration

Section 3.1 The Owner shall, for the term of this agreement, submit an Annual Report relative to all affordable units, to the Manatee County Department of Community Services. Said report shall be submitted in accordance with the schedule
established by the County providing such documents and certifications as may be required to determine compliance with this Agreement.

Section 3.2 Should a sale or transfer of ownership for all or any part of the Project take place during the life of the property, owner must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible recipients (F.S. 420.9075(f)). Information relating to the new Owner, including name, address and telephone number, shall be forwarded by letter to the Director of the Community Services Department.

Section 3.3 This Agreement for the project shall become effective upon approval by the Manatee County Board of County Commissioners and shall run with the land.

Section 3.4 The omission of any regulatory requirement in this Agreement shall not relieve the Owner from the necessity of complying with any and all applicable State, County and Federal laws, rules and regulations. In particular, this Agreement is governed by the provisions of the Manatee County State Housing Initiative Partnership Ordinance, Part IV of Chapter 420, Florida Statutes, and the Manatee County Land Development Code. In interpreting any applicable requirements, the more stringent provisions shall apply.

Section 3.5 The Community Services Department shall review the Project at least every twelve (12) months to determine compliance with the terms of this Agreement. Failure of the Community Services Department to conduct said review or identify violations of this Agreement shall not relieve Owner of any obligation hereunder or prevent subsequent enforcement.

Section 3.6 The County shall have the right to review and audit the records of the Owner relating to the Property as the County deems appropriate to determine compliance with Section 2.1. The Owner shall be required upon written notification, to provide the necessary information to perform an audit to the satisfaction of the County. This information may include all tenant lists, applications, leases, waiting lists, income examinations and re-examination relating to the Project. These materials shall at all times be kept separate and identifiable from any other business or Owner which is unrelated to the Property, and shall be maintained in reasonable condition for property audit, subject to examination and photocopying during business hours by representatives of the County. Manatee County shall provide at least five (5) days prior written notice before performing such audit.

Section 3.7 County periodically will monitor Owner's compliance with the requirements of this Agreement. In conducting its compliance review, County will rely primarily on information obtained from owner's records and reports, including those prepared for other governmental agencies, findings from on-site monitoring and audit reports. County may consider relevant information gained from other sources, including litigation and citizen complaints.
ARTICLE IV

Enforcement and Remedies

Section 4.1 If Owner defaults in the performance of obligations under this Agreement and the restrictions set forth herein, and if such default remains uncured for a period of one hundred and twenty days (120) days after notice thereof has been given by the County, the County shall be entitled to apply to any court having jurisdiction of the subject matter for specific performance of this Agreement, for the appointment of a receiver or successor to take over and operate the Property in accordance with the terms of this Agreement, or for any other legally available remedies including without limitation monetary damages, as may be appropriate. All remedies available to the County under this Agreement, including without limitation the liquidated damages available pursuant to Section 4.1 hereof, shall be cumulative.

Section 4.2 As an alternative to the provisions of Section 4.1, if the Owner defaults in the performance of obligations under Sections 2.1, 3.1 or 3.6 of this Agreement, and if such default remains uncured for a period of sixty (60) days after notice thereof has been given by Manatee County, Manatee County may elect, at its sole option, to be paid the amount of $500 per Dwelling Unit (up to a maximum of $32,000, per year for the project) which Owner and the County agree on as a property measure of liquidated damages for each calendar year for which a violation of the aforementioned Sections occurred. Liquidated damages, as set forth in this Section 4.2, shall be adjusted in amounts based on the percentage change in the Consumer Price Index for the Urban Consumers using the effective date of this Agreement as the base date (See example given below). Every violation of either Section 3.1 or 3.6 shall be considered a violation for all Dwelling Units within the Project. Any such payment under this Section shall be made by cashier's check, deposited in the County's Affordable Housing Trust Fund (AHTF), or other cost center utilized for aiding in the development of Affordable Housing. Sums paid under this Section shall not represent payment of a penalty.

EXAMPLE

Violations:

The Owner rented two units to households which were determined not to be Very Low, Low or Moderate Income Households for two months in 2005 and one month in 2006, and charged rent in excess of maximum allowable rent income for a Low Income Household for one month in 2005. In 2007, no annual report is submitted pursuant to Section 3.1.

Damages:

<table>
<thead>
<tr>
<th>Year</th>
<th>Damages</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$1,500.00*</td>
<td>Two (2) violations relating to occupancy of dwelling units, plus one (1) violation of assessed rent.</td>
</tr>
</tbody>
</table>
2006 $1,000.00* Two (2) violations relating to occupancy of dwelling units during year.

2007 $32,000.00* Violations relating to all units.

* Amounts must be adjusted for inflation or deflation based on the percentage of change in the Consumer Price - Index for Urban Consumers.

Section 4.3 In addition to the remedies provided in Section 4.1 of this Agreement, if Owner fails to comply with the requirements of Section 2.1 above, if Owner fails to maintain the project as required by Section 4.6 below, or if County is entitled to a presumption of non-compliance pursuant to Section 4.2 above, and such presumption has not been rebutted by evidence furnished by Owner, owner shall pay liquidated damages to the County for the loss of the public benefit of the program in the amount of $10,200.00 per unit for (a) each Dwelling Unit, to a maximum of one hundred percent (100%) of all dwelling units, less any units sold as Affordable Units and (b) any units sold as Affordable Units that are not in compliance with the above requirements. In addition, the Owner shall be required to repay to the County any partial or full refund of any fees received by, or on behalf of, the Owner, for failure by Owner to comply with Section 2.1 of this Agreement. Any payment under this Section shall be made to County by cashier’s check. The County shall not be required to commence litigation against the Owner in order to receive such liquidated damages, but may do so in the event the Owner fails to pay them in accordance with this Section.

Section 4.4 Should the Owner fail to comply with any of the restrictions set forth in this Agreement, Owner shall pay to the County all reasonable costs associated with the enforcement thereof, including but not limited to costs associated with employee time, attorneys and paralegals, court costs, and necessary and reasonable expenses, including those associated with any foreclosure, collection of damages or costs, or other proceedings. In any judicial proceeding to resolve a dispute under or enforce this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and costs.

Section 4.5 Owner shall pay to the County any charges in excess of the limits provided in Section 2.1 above along with interest at the judgment rate. The County shall repay such sums to the Household, or if such Household cannot be located within a one year period after vacating the Dwelling Unit, such sum shall be deposited in the County’s Affordable Housing Trust Fund or other cost center utilized for aiding in the development of affordable housing.

Section 4.6 Owner agrees to begin construction of the project no later than January 1, 2006. Should Owner fail to have begun construction of the project by the date listed hereto, the County upon due notice to Owner shall have the right to pursue the remedies as set forth in Sections 4.1, 4.3 and 4.5 above.

Section 4.7 In the event the Owner materially breaches any condition or covenant of this Agreement, the County shall be entitled to the remedy of specific performance of such condition or covenant without the necessity of demonstrating extraordinary
harm, and the Owner hereby waives any defense to any such claim for specific performance loss on the argument that the County has failed to demonstrate extraordinary harm.

ARTICLE V

Representations and Warranties of Owner

Section 5.1 Owner has validly executed this Agreement and the same constitutes the binding obligation of the Owner. Owner has full power, authority and capacity to enter into this Agreement, to carry out the Owner's obligations as described in this Agreement and to assume responsibility for compliance with all applicable Local, State and Federal rules and regulations.

Section 5.2 To the best of Owner's knowledge, the making of this Agreement and the Owner's obligations hereunder:

(a) will not violate any contractual covenants or restrictions between Owner or any third party, or affecting the Property;
(b) will not conflict with any of the instruments that create or establish Owner's authority;
(c) will not conflict with any applicable public or private restrictions;
(d) do not require any consent or approval of any public or private authority which has not already been obtained; and
(e) are not threatened with invalidity or unenforceability by any action, proceeding or investigation pending or threatened, by or against Owner, without regard to capacity, any person with Owner may be jointly or severally liable, or the Property or any part thereof.

Section 5.3 There is no litigation pending or proceeding, or, to the best of any Owner's knowledge, threatened, against Owner which if adversely determined could individually or in the aggregate have an adverse affect on title to or the use and enjoyment or value of the Property, or any portion thereof, or which could in any way interfere with the consummation of this Agreement.

Section 5.4 There is no pending, or to Owner's best knowledge, threatened, case or proceeding or other action in bankruptcy, whether voluntary or otherwise, any assignment for the benefit of creditors, or any petition seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for owner under any present or future federal, state or other statute, law, regulation relating to bankruptcy, insolvency, or relief from debtors, nor is there any basis therefore.

Section 5.5 Owner agrees to indemnify and hold harmless County from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees, through appeal, if necessary)
incurred by County as a result of any inaccuracy in any of the representations and
warranties contained in Sections 5.1 through 5.4, inclusive.

Section 5.6 In carrying out its obligations hereunder, Owner shall be entitled to rely upon
information provided and published by the United States Department of Housing
and Urban Development with respect to (i) income limits applicable to very low
income households, low income households, and moderate income households,
(ii) the method for calculating the incomes of such families, and (iii) the
maximum rents which may be charged to such families pursuant to Section 2.1
hereof. The Owner shall be responsible for obtaining such information in a timely
manner from HUD.

ARTICLE VI

Miscellaneous Provisions

Section 6.1 This Agreement may not be amended or modified except by written instrument
signed by each party hereto and approved by the County=s Board of County
Commissioners.

Section 6.2 Notices required to be given by this Agreement shall be in writing, certified
mail through the United States Postmaster. Mail shall also have return receipt
requested, addressed to the persons and places specified for giving notice below.
Requirements for such other or additional parties or address as from time to time
may be specified by either party shall be subject to the terms and conditions of
this Agreement. This in no way impacts the requirement to provide notice to the
Board of County Commissioners and to the County Attorney in the manner
outlined above.

Notice shall be forwarded to the following:

FOR THE COUNTY:

Chairman
Manatee County Board of County Commissioners
1112 Manatee Avenue West
Post Office Box 1000
Bradenton, FL 34206-1000

with copies by U.S. Mail to:

Office of the County Attorney
Manatee County Government
1112 Manatee Avenue West
Post Office Box 1000
Bradenton, FL 34206-1000

Frederick J. Loveland, Director
Department of Community Services
1112 Manatee Avenue West, Suite 868
Post Office Box 1000
Bradenton, FL 34206-1000
FOR THE OWNER:

Harvey Vengroff
5135 Riverwood Avenue
Sarasota, FL 34231

with copies by U.S. Mail to:

David L. King, J.D.
Compliance Officer
Vengroff, Williams & Associates, Inc.
2211 Fruitville Road
Sarasota, FL 34237

Section 6.3 Both parties have played an equal and reciprocal part in the drafting of this Agreement and, therefore, no provisions of this Agreement shall be construed by any court or other judicial authority against any party hereto because such party is deemed to have drafted or structured such provisions.

Section 6.4 In the event any term of provision of this Agreement shall be held invalid, such invalid term or provisions shall not affect the validity of any other term or provision hereof and all such other terms and provisions hereof shall be enforceable to the fullest extent permitted by law as if such invalid term or provision had never been apart of this Agreement; provided, however, if any term or provision of this agreement is held to be invalid due to the scope or extent hereof, such term or provision shall automatically be deemed modified in order that it may be enforced to the maximum scope and extent permitted by law.

Section 6.5 This Agreement shall be construed, and the rights and obligations of the County and Owner hereunder shall be determined, in accordance with the laws of the State of Florida. Venue for any litigation pertaining to the subject matter hereof shall be in Manatee County, Florida, unless prohibited by law.

Section 6.6 In any litigation between the parties hereto arising out of this Agreement, the prevailing party shall be entitled to recover all fees and costs incurred in such litigation, including reasonable attorneys' fees, through appeal, if necessary.

Section 6.7 This Agreement shall be recorded in the Official Records of Manatee County, Florida by Manatee County at the expense of the Owner.
Section 6.8 This Agreement shall become effective upon being recorded in the Official Records of Manatee County, Florida pursuant to Section 6.7 above after both parties have executed it.

IN WITNESS WHEREOF, the Owner has read and understands the terms set forth and agrees to meet the obligations contained herein by execution of this Agreement, in duplicate, this 26th day of February, 2005.

WITNESSES:

[Signatures]

STATE OF FLORIDA
COUNTY OF MANATEE

SWORN AND SUBSCRIBED before me this 26th day of February, 2005, by Harvey Vengroff, (known as "Owner"), who is personally known to me and/or provided as identification, and who did not take an oath (or affirm). If no type of identification is indicated, the above named persons are personally known to me.

[Signature of Notary Public]

(Stamp & Seal)

IN WITNESS WHEREOF, the Board of County Commissioners of Manatee County, Florida, has executed this Agreement this 15th day of March, 2005.

COUNTY OF MANATEE, FLORIDA
BY AND THROUGH ITS
BOARD OF COUNTY COMMISSIONERS

[Signature]

CHAIRMAN

ATTEST:  R.B. SHORE
CLERK OF THE CIRCUIT COURT

[Signature]
EXHIBIT "A"

Legal Description

Lot 7, PALM ACRES, according to the plat thereof, recorded in Deed Book 315, Page 507, of the Public Records of MANATEE County, Florida, and Lots 8 and 9, PALM ACRES, according to the plat thereof, recorded in Deed Book 317, Page 470, of the Public Records of MANATEE County, Florida.

SUBJECT TO covenants, conditions, restrictions, reservations, limitations, easements and agreements of record, if any; taxes and assessments for the year 2003 and subsequent years; and to all applicable zoning ordinances and/or restrictions and prohibitions imposed by governmental authorities, if any.
EXHIBIT "B"

Principles of Current Owner

OWNER/S:

Harvey Vengroff
5135 Riverwood Ave
Sarasota, FL 34231