

13-R-3001

(Do Not Write Above This Line)

RESOLUTION BY COMMUNITY DEVELOPMENT/HUMAN RESOURCES COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR ON BEHALF OF THE CITY OF ATLANTA TO ENTER INTO AN AMENDMENT TO THE AGREEMENT WITH SUMMECH COMMUNITY DEVELOPMENT CORPORATION, INC., FOR THE PURPOSE OF MODIFYING CERTAIN RESIDENTIAL LOAN REPAYMENT PROVISIONS CONTAINED IN THE AGREEMENT; AND FOR OTHER PURPOSES.

ADOPTED BY

MAY 06 2013

COUNCIL

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1ST ADOPT 2ND READ & REFER
- PERSONAL PAPER REFER

Date Referred _____

Referred To: _____

First Reading

Committee _____

Date _____

Chair _____

Referred To _____

Committee *CD/HR*

Date *4/13/13*

Chair _____

Fav. Adv. Hold (See rev. side) _____

Action _____

Other _____

Members

Refer To

Committee

Date

Chair

Fav. Adv. Hold (See rev. side) _____

Action _____

Other _____

Members

Refer To

Committee

Date

Chair

Fav. Adv. Hold (See rev. side) _____

Action _____

Other _____

Members

Refer To

Committee

Date

Chair

Fav. Adv. Hold (See rev. side) _____

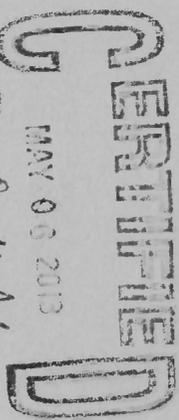
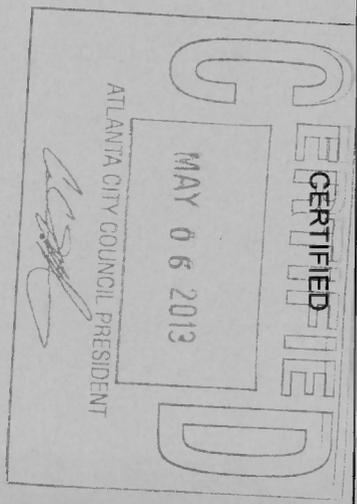
Action _____

Other _____

Members

Refer To

- FINAL COUNCIL ACTION
- 2ND 1ST & 2ND 3RD
- Readings
- Consent V Vote RC Vote



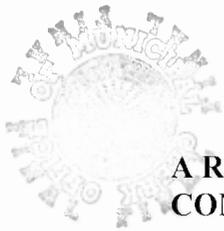
MAYOR'S ACTION

APPROVED

MAY 15 2013

WITHOUT SIGNATURE BY OPERATION OF LAW

1925



13-R-3001

**A RESOLUTION BY
COMMUNITY DEVELOPMENT HUMAN RESOURCES COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR ON BEHALF OF THE CITY OF ATLANTA TO ENTER INTO AN AMENDMENT TO THE AGREEMENT WITH SUMMECH COMMUNITY DEVELOPMENT CORPORATION, INC., FOR THE PURPOSE OF MODIFYING CERTAIN RESIDENTIAL LOAN REPAYMENT PROVISIONS CONTAINED IN THE AGREEMENT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta’s (“City”) Department of Planning and Community Development (“DPCD”) entered into an agreement with Summech Community Development Corporation, Inc., (“Summech”) for the purpose of developing the Mechanicsville Urban Redevelopment/Section 108 Project (the “Project”) pursuant to Resolution 09-R-1951 adopted by the Atlanta City Council on December 7, 2009, and approved by the Mayor on December 15, 2009 (the “Agreement” attached hereto as Exhibit A); and

WHEREAS, the project is underway and Summech has sought additional funding from the Georgia Department of Community Affairs (“DCA”) for the Project; and

WHEREAS, as a condition of granting Summech additional funding for the Project, DCA has requested that the City amend certain residential loan repayment terms contained in Part II, Scope of Work of the Agreement; and

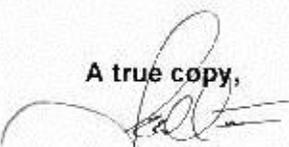
WHEREAS, the Commissioner of DPCD has determined that it is in the best interest of the City to, and has recommended that the City, enter into an amendment to the Agreement modifying certain residential loan repayment terms as listed on Exhibit B attached hereto.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the Mayor, on behalf of the City, is hereby authorized to enter into an amendment (the “Amendment”) to the Agreement with Summech amending certain residential loan repayment terms contained in Part II, Scope of Work of the Agreement and as described in Exhibit B attached hereto.

BE IT FURTHER RESOLVED, that the City Attorney is hereby directed to prepare the Amendment for execution by the Mayor.

BE IT FURTHER RESOLVED, that all terms of the Agreement not modified by the Amendment shall remain unchanged.

BE IT FINALLY RESOLVED, that the Amendment will not become binding upon the City, and the City will incur no liability under it until it has been executed by the Mayor, attested to by the Municipal Clerk, approved by the City Attorney as to form and delivered to Summech.

A true copy,

Deputy Clerk

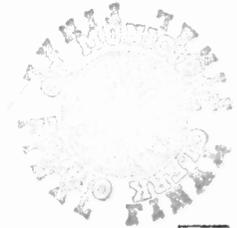
ADOPTED by the Atlanta City Council
APPROVED as per City Charter Section 2-403

MAY 06, 2013
MAY 15, 2013



EXHIBIT A

AGREEMENT



**CITY OF ATLANTA
CONTRACT AGREEMENT**

- COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
- EMERGENCY SHELTER GRANT PROGRAM (ESGP)
- HOME PROGRAM
- HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM (HOPWA)
- OTHER (specify): MECHANICSVILLE SEC 108

**MECHANICSVILLE URBAN REDEVELOPMENT/SECTION 108
PROJECT**

(Project Title)

- - PATEO: 10201716 106 250731748 \$2,680,541.00

IDIS Project No.: N/A IDIS Activity No: N/A IDIS Plan Year: N/A

**STATE OF GEORGIA
COUNTY OF FULTON**

AGREEMENT

PART I

THIS AGREEMENT, made and entered into this the 31 day of January, 2010 by and between the City of Atlanta, a municipal corporation of the State of Georgia, hereinafter referred to as "City", and SUMMECH Community Development Corporation, a 501(c)(3) not-for-profit Corporation of Fulton County, State of Georgia, having been designated by the City as a Community Based Development Organization (CBDO) hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, The City of Atlanta is the recipient of a Section 108 Trust Fund Loan and an Economic Development Initiative Grant from the U.S. Department of Housing and Urban Development (HUD) under Housing and Community Development Act of 1974, as amended; the Stewart B. McKinney Homeless Assistance Act 1987, as amended; and/or the AIDS Housing Opportunity Act (42 U.S.C.≥ 12901), as amended, for the implementation of the Mechanicsville Redevelopment Plan; and

WHEREAS, the City desires to engage the Developer to perform certain voluntary and involuntary land acquisition, new housing construction, and commercial development activities funded under the Section 108 Loan; and

WHEREAS, this Agreement was authorized by legislation 09-R-1951 of the Atlanta City Council and approved by the Mayor on December 15, 2009, and made a part hereof by reference; and amended by ordinance 04-O-2087 the Comprehensive Redevelopment Plan of the City of Atlanta and the Mechanicsville Urban Redevelopment Plan by adding the Block 85 project; and

WHEREAS, the Developer has indicated its ability and desire to perform said activities for a sum not to exceed Two Million Six Hundred Eighty Thousand Five Hundred and Forty-One dollars (\$2,680,541.00).

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree as follows:



THE DEVELOPER AGREES:

- A. The Developer shall carry out all project activities in accordance with all applicable laws, ordinances, codes, regulations, and requirements of the federal, state, county, and city governments.
- B. The Developer shall, in a satisfactory and proper manner as determined by the City, perform the activities detailed in Part II, Work Program, attached hereto and made a part hereof for a sum not to exceed Two Million Six Hundred Eighty Thousand Five Hundred Forty-One Dollars (\$2,680,541.00).
- C. The work to be performed by the Developer shall commence thereafter the legislation is authorized by City Council and approved and signed by the Mayor and shall be completed no later than September 25, 2015.
- D. The Developer shall make any requests for payment under this contract no later than 90 days after the termination/expiration of the contract period, as shown in "C" above. After that date, no further payments shall be made under this contract.
- E. The Developer further agrees to perform the activities detailed herein, in accordance with and subject to, all the stipulations, terms, conditions, and clauses specifically set forth in, or referenced by, the contract document.

THE CITY AGREES:

- A. The City agrees to pay the Developer in accordance with terms and provisions of Part II, Work Program, and Part III, General Provisions.
- B. The City shall abide by and be subject to all the terms, conditions, clauses, and stipulations set forth in this Agreement.

THE DEVELOPER AND CITY AGREE:

- A. This Agreement shall be construed and enforceable in accordance with the laws of the State of Georgia.
- B. Time is of the essence in this Agreement and each and every obligation and undertaking set forth herein.
- C. This Agreement contains the entire agreement of the parties, and no representations or agreements, oral or otherwise, among the parties not embodied herein shall be of any force and effect.
- D. The City shall have the right to terminate this contract if, after giving the Developer at least thirty (30) days written notice specifying any alleged breach of this Contract by Developer, Developer fails to correct said deficiencies to the satisfaction of the City within thirty (30) days of receipt hereof, or for good cause.



- E. The Developer shall have the right to terminate this contract if, after giving the City at least thirty (30) days written notice specifying any alleged breach of this Contract by the City, the City fails to correct said deficiencies to the satisfaction of the Developer within thirty (30) days of receipt hereof, or for good cause.

- F. The parties hereto hereby designate the following persons, or their successor in title, as their representatives, to whom all notices, documents, requests, and inquiries shall be addressed:

CITY:

Evelyn Nu'Man

Name

Director, Bureau of Housing

Title

City of Atlanta, 68 Mitchell Street SW Suite 1200 Atlanta, GA 30303

Address

DEVELOPER:

Janis Ware

Name

Executive Director

Title

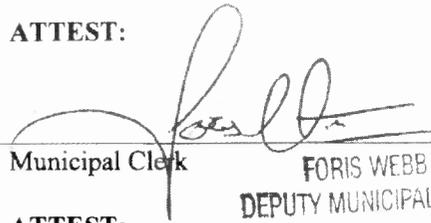
SUMMECH Community Development Corporation 633 Pryor Street SW Atlanta, Georgia
30312

Address

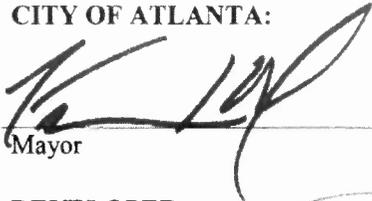


IN WITNESS WHEREOF, the duly authorized officers of the City and Developer have caused their hands and seals to be hereto affixed the day and year first above written.

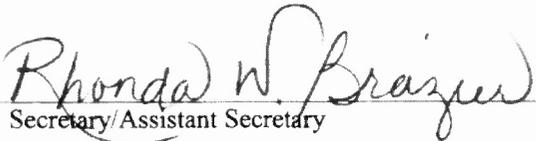
ATTEST:

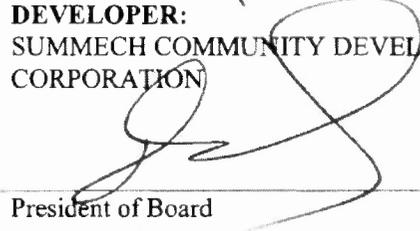

Municipal Clerk **FORIS WEBB III**
DEPUTY MUNICIPAL CLERK

CITY OF ATLANTA:

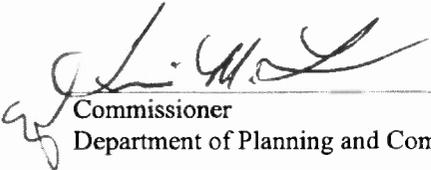

Mayor (SEAL)

ATTEST:


Secretary/Assistant Secretary

DEVELOPER:
SUMMECH COMMUNITY DEVELOPMENT CORPORATION

President of Board (SEAL)

APPROVED:


Commissioner
Department of Planning and Community Development

RECOMMENDED:


Chief Operating Officer

APPROVED:


Chief Procurement Officer
Department of Procurement

APPROVED AS TO FORM:


City Attorney



PART II

Scope of Work

MECHANICSVILLE URBAN REDEVELOPMENT/SECTION 108 PROJECT

SECTION 108 COMMERCIAL AND RESIDENTIAL PROJECT OBJECTIVE

The Developer will perform the work outlined in this agreement to strengthen and expand the quality of housing and the social/economic diversity of Mechanicsville through the stabilization of housing and commercial development. The project involves the construction of new single-family and/or multi-family apartments, and the rehabilitation of the commercial buildings located at **654-656 Pryor Street**.

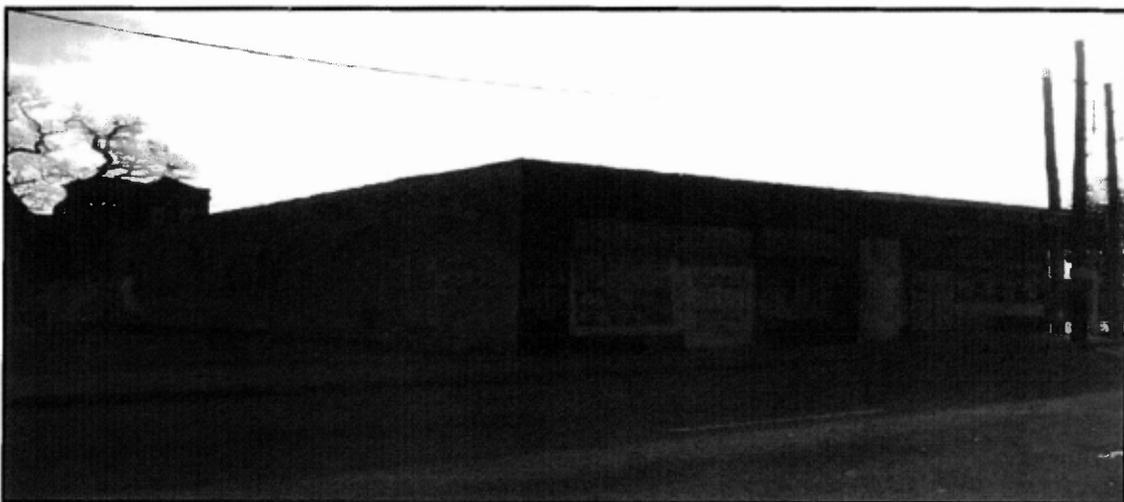
This project is designed to augment the concurrent development already taking place in the area. These public funds are programmed to accommodate front-end re-development activities (acquisition, demolition, new construction and rehabilitation) considered critical in supporting the marketability of planned housing and economic development opportunities.

Use of Funds for Commercial Development

Project Description-Commercial Development

The Developer will rehabilitate the building creating at least one commercial space for lease. Upon completion of the rehabilitation the developer will either hire a management company or demonstrate capacity to self manage the property and lease the units created for commercial space to small business or any other commercial use.

654-656 Pryor Street Atlanta, Ga 30312



The commercial rehabilitation and demolition funds will be made available to SUMMECH as a loan guarantee or a direct permanent rehabilitation construction loan to

supplement the commercial revitalization of the structures located at **654-656 Pryor Street** Atlanta, Ga 30312 Ralph D. Abernathy Commercial Corridor redevelopment.

Demolition of the pre-existing structures that have been acquired under the EDI Contract will also be eligible under this contract. The final product will include new construction. Specifically, demolition may include the structures located at **654-656 Pryor Street**. The demolition and rehabilitation activity will adhere to all applicable state and local codes, rehabilitation standards and ordinances, and zoning ordinances and Davis Bacon labor standards where applicable.

Commercial Disbursement of Funds

The City shall pay the developer based on eligible rehabilitation expenditures as shown in the line item budget of this contract. All such expenses shall be in conformance to the approved project budget. All budget revisions will require approval by the City of Atlanta prior to payment of any expenses not conforming to the approved project budget.

The City may require that all costs identified in the development budget be paid on a reimbursement basis in accordance with the "Disbursement Report CD-1" Exhibit H. The original draw with signatures must be provided for owners and architect and/or engineer signatures should be submitted to the City of Atlanta. The developer will need prior authorization from the City to be advanced funds for hard cost items.

The City of Atlanta will reimburse the developer for the eligible and pre approved budget cost for each pay request received, but will not pay more than the total development cost overall.

The City also reserves the right to hold payment until adequate documentation has been provided and reviewed. The developer will submit a final invoice upon completion.

The City will review and audit all records of the developer pertaining to any payments by the City. Said records shall be maintained for a period of five years.

Prior to the disbursement of funds to cover the cost of demolition and construction/renovation, and project management the City requires the following:

- a) Submission of a CD-1 (Exhibit H) form identifying the actual costs.
- b) A copy of all reports and invoices of services provided are due with each pay request.
- c) Davis Bacon Reports (Exhibit D) must be made available upon request.



Commercial Repayment Terms

The terms for the repayment of the Mechanicsville Section 108 Commercial Demolition and Construction Loan shall be as follows:

a.	Interest Rate	0.5% per annum
b.	Term of the Loan	20 years
c.	Interest During construction	There will be no repayment during construction
d.	Principal	\$1,198,624.00
e.	Construction Period payment	No repayment during construction.
f.	Payments terms	\$5,249.18 per month to began after initial lease up and will be a cash flow loan.
g.	# Of Payments	240 monthly payments
h.	Security Interest	Security deed on land for commercial development
i.	Time Period to drawdown 108 funds	24 months after effective date of contract

The Developer will provide a construction schedule to ensure the development is completed within the term of the contract.

Commercial Implementation Schedule

- The Developer will provide the City with an updated project development plan/schedule no longer than sixty (60) days after the execution of the contract.
- The development schedule must identify the construction completion date, and source of funding.
- The Developer will begin rehabilitation activities no later than twelve (12) months after that date of contract execution.
- At the time of expiration of this contract or upon completion of the rehabilitation, the developer will evidence to the City that it has completed the rehabilitation using the appropriate documentation from the City of Atlanta, Office of Buildings and all permits issued have been signed off by the City.
- In the event that the developer is not able to evidence the completion of the rehabilitation work the developer must provide a written explanation stating the reason for the delay and provide a plan of action to resolve any stated issues and/or concerns. In instances where the project is not developed within the stated time frame, this contract will have to be amended by the City of Atlanta.



Use of Funds for Residential Development

Project Description-Residential New Construction

The Developer will utilize a residential construction loan in the amount of (\$1,481,917.00) available under this contract to construct scattered in-fill single family or attached homes. The developer should build on the scattered and contiguous lots that have been purchased by the developer using the Economic Development Initiative (EDI) Grant funds as listed below.

640	Windsor Street SW	14-0075-0001-020-8	0	Cooper Street SW	14-0076-0010-041-2
*646	Windsor Street SW	14-0075-0001-021-6	348	Glenn Street SW	14-0086-0003-041-9
652	Windsor Street SW	14-0075-0001-022-4	344	Glenn Street SW	14-0086-0003-042-7
638	Cooper Street SW	14-0075-0001-058-8	635	Garibaldi Street SW	14-0086-0003-044-3
654	Pryor Street SW	14-0075-0002-084-3	635	Windsor Street SW	14-0086-0003-066-6
656	Pryor Street SW	14-0075-0002-085-0	648	Garibaldi Street SW	14-0086-0003-074-0
455	Cooper Street SW	14-0075-0004-013-0	644	Garibaldi Street SW	14-0086-0003-075-7
227	Doane Street SW	14-0075-0008-057-3	642	Garibaldi Street SW	14-0086-0003-076-5
441	Cooper Street SW	14-0076-0004-049-3	683	Smith Street SW	14-0086-0003-090-6
562	Cooper Street SW	14-0076-0010-021-4	680	Smith Street SW	14-0086-0003-117-7
578	Cooper Street SW	14-0076-0010-038-8	0	Ralph David Abernathy Blvd.	14-0086-0003-161-5

Single Family Construction Option

The City currently has a security deed on each parcel of land purchased using the EDI funds. The City will utilize the EDI grant funds to write down the cost to purchase homes constructed on EDI lots or as a soft second forgivable deferred loan upon the sale of the newly constructed single family detached homes to eligible homebuyer's who meet HUD's FY 2010 80% area median income requirement. The Maximum sales price must not exceed \$252,890.00 for the affordable units.

Attached Single family (Townhouse Option)

If the developer chooses to develop attached town homes or condominium style for sale units on contiguous EDI lots. The City will use a prorata share methodology to determine the number of units that must meet the 80% AMI requirement. If private dollars are used



to leverage the project the number of required affordable units may be calculated using a percentage of total development cost. The Maximum sales price must not exceed \$252,890.00 for the affordable units.

Residential Income Eligibility

Income eligibility for the newly constructed detached and/or attached single-family homes is as follows:

Sixty percent (60%) of all scattered single-family homes and at least fifty percent (50%) of the attached townhouses in the project must be sold to households with incomes eighty percent (80%) or less than the Area Median Income (AMI) as set forth in Table 1.

Table 1.

FY 2010 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
<u>Extremely Low (30%) Income Limits</u>	\$15,100	\$17,250	\$19,400	\$21,550	\$23,300	\$25,000	\$26,750
<u>Very Low (50%) Income Limits</u>	\$25,150	\$28,750	\$32,350	\$35,900	\$38,800	\$41,650	\$44,550
<u>Low (80%) Income Limits</u>	\$40,250	\$46,000	\$51,750	\$57,450	\$62,050	\$66,650	\$71,250

Residential Disbursement of Funds

The City shall pay the developer based on eligible new construction expenditures as shown in the approved line item budget. Project expenses shall be paid based on properties with free and clear title evident by a current title report, purchaser agreement (contract), and preliminary HUD-1 statement. All such expenses shall be in conformance to the approved project budget. All budget revisions will require approval by the City of Atlanta prior to payment of any expenses not conforming to the approved project budget.

The City will require that all costs identified in the development budget be paid on a reimbursement basis in accordance with the “Disbursement Form CD-1” Exhibit H. The original draw with signatures must be provided for owners and architect and/or engineer signatures should be submitted to the City of Atlanta. The developer will need prior authorization from the City to be advanced funds for hard cost items.

The City of Atlanta will reimburse the developer for eligible and pre approved budget cost for each pay request received, but will not pay more than the total development cost overall.

The City also reserves the right to hold payment until adequate documentation has been provided and reviewed. The developer will submit a final invoice upon completion.

The City will review and audit all records of the developer pertaining to any payments by the City. Said records shall be maintained for a period of five years

Prior to the disbursement of funds to cover the cost of demolition and construction/renovation, and project management the City requires the following:

- 
- a) The Execution of a pre-contract agreement between buyer and seller.
 - b) Submission of a CD-1 (Exhibit H) form identifying the actual costs.
 - c) A copy of all reports and invoices of services provided are due with each pay request.

Residential Repayment Terms

The terms for the repayment of the Mechanicsville Section 108 Residential Construction Loan shall be as follows:

a.	Interest Rate	0.5% per annum
b.	Term of the Loan	SF construction period up to 36 months
c.	Security Interest	Security deed on residential development
d.	Principal	\$1,481,917.00
e.	Payments	To be repaid at closing from permanent financing
f.	# of Payments	180 monthly payments
g.	Security Interest	Security deed on land for residential development
h.	Time Period to drawdown 108 funds	48 months after effective date of contract

Residential Implementation Schedule

- The Developer will provide the City with an updated project development plan/schedule no longer than sixty (60) days after the execution of the contract.
- The development schedule must identify the construction completion date, and source of funding.
- At the time of expiration of this contract or upon completion of the construction, the developer will evidence to the City that it has completed the construction by evidence of a Certificate of Occupancy issued by the City of Atlanta, Office of Buildings.
- In the event that the developer is not able to evidence the completion of the rehabilitation work the developer must provide a written explanation stating the reason for the delay and provide a plan of action to resolve any stated issues and/or concerns. In instances where the project is not developed within the stated time frame, this contract will have to be amended by the City of Atlanta.

Project Outcomes for Commercial and Residential Development

Commercial Outcome

Outcomes

The developer must document the type of business, ethnicity of it employees and how many jobs that have been created or sustained and or area benefit



Major Tasks Necessary to Realize Commercial Outcome

Complete gut, reframe and substantial rehabilitation efforts to building.

Commercial Outcome Measures:

Quality control inspection will be completed during each progressive phases. All applicable inspections will occur at rough, interim and final phases. All applicable certificates for energy efficiency and conservation will be provided as evidence of supporting HUD indicators as meeting requirements for energy star standards.

Outcome for Residential Development

Up to 22 Units will be newly constructed and sold to person at 80% of AMI or less.

Major Tasks Necessary to Realize Residential Outcome

- a) Start Construction of Units
- b) Initiate affirmative marketing and outreach for sale to those with more of a discretionary income.

Outcome Measures:

Units will be 100% constructed and sold within 36 months from the date of execution of the contract.

Total Budget

Development Component	Section 108
<u>Residential Development</u>	
Land Acquisition	\$ 52,564.00
Construction	\$ 1,429,353.00
Subtotal	\$ 1,481,917.00
<u>Commercial Development</u>	
Demolition	\$ 32,500.00
Construction	\$ 1,166,124.00
Subtotal	\$ 1,198,624.00
Total	\$ 2,680,541.00

Line Item Budget Submission

The Developer must submit a detail budget to the City of Atlanta that shows a final line item budget for the Commercial Development and Residential prior to any cost being



incurred. The submitted budget will be signed by the Developer as the final applicable line item budget and must be kept on file and must submit the work write up and construction contract along with that budget.

Administration

The City of Atlanta Bureau of Housing (BOH) shall administer the project on behalf of the City. BOH shall be responsible for project monitoring and processing requests for payment as detailed herein:

Procurement – The Developer may utilize the services of the Office of Procurement (OP) or conduct its own procurement process for the selection of subcontractors and design consultants in accordance with OMB Circular A-110, Uniform Administrative Requirements. OP must approve all Developers and include a determination of no evidence of disbarment. Selection of all subcontractors must be open, fair and competitive and reflected in the files of the Developer.

Project Monitoring – The Developer agrees to review and maintain project records and policies as specified under Monitoring/Compliance Review.

The Developer agrees to permit the City of Atlanta to conduct on-site inspections, at the discretion of the City to undertake performance reviews of its overall performance. The Developer will be given a thirty (30) day notice prior to on-site visits in order that all essential documents can be organized and made available for review. Reviews will be conducted by the City at least quarterly.

At the conclusion of a performance review, the Developer shall be provided with a written report identifying any concerns outlined by the City. Non-compliance with any of the requirements, terms and conditions of this agreement shall constitute substandard performance. To correct such conditions, the Developer shall be provided reasonable time, no more than sixty (60) days to comply, or (a) be denied the use of additional CDBG funds, and (b) required to repay any disbursed funds on incomplete projects.

Conflict of Interest – The Developer shall adhere to the HUD Provision 24 CFR 570.611, conflict of interest provisions that apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part. The activities that are subject to this regulation include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)). The general rule is that no persons described above who exercises or has exercised any function or responsibility with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with

EXHIBIT B

Existing Residential Repayment Terms

The terms for repayment of the Mechanicsville Section 108 Residential Construction Loan shall be as follows:

a.	Interest Rate	0.5% per annum
b.	Term of the Loan	SF construction period up to 36 months
c.	Security Interest	Security deed on residential development
d.	Principal	\$1,481,917.00
e.	Payments	To be repaid at closing from permanent financing
f.	# of Payments	180 monthly payments
g.	Security Interest	Security deed on land for residential development
h.	Time Period to drawdown 108 funds	48 months after effective date of contract

New Residential Repayment Terms

The new terms for repayment of the Mechanicsville Section 108 Residential Construction Loan shall be as follows:

a.	Interest Rate	0-2 % per annum as negotiated
b.	Term of the Loan	SF construction period up to 36 months and converts to a 20 year permanent loan
c.	Security Interest	Security deed on residential development
d.	Principal	\$1,481,917.00
e.	Payments	Cashflow
f.	# of Payments	360 months
g.	Security Interest	Security deed on land for residential development
h.	Time Period to drawdown 108 funds	48 months after effective date of contract