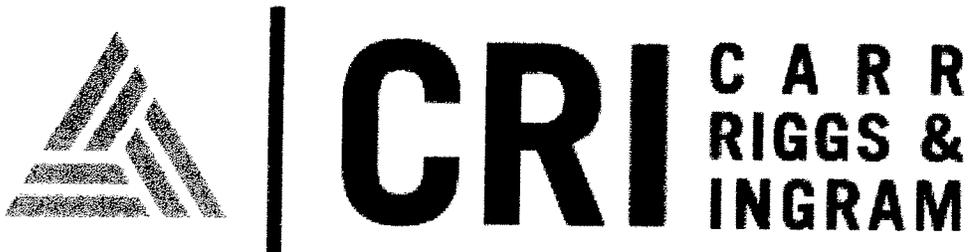


**Bahama Conch Community Land Trust  
of Key West, Inc.  
Agreed Upon Procedures Report  
From Inception to September 30, 2009**



**Bahama Agreed Upon Procedures  
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From Inception to September 30, 2009**

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Appendix

## Appendix

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- A. Detail list of accounts payable as of October 22, 2009
- B. Auditor management letter with material weaknesses and significant deficiencies
  - a. September 30, 2004, report dated February 21, 2007
  - b. September 30, 2005, report dated February 21, 2007
  - c. September 30, 2006, report dated February 25, 2008
  - d. September 30, 2007, report dated June 10, 2008
- C. DCF Homeless Housing Project Grant Application documents
  - a. Initial cost estimates from Mike Skoglund, Architect
  - b. June 25, 2006 letter to Wendy Cole, Executive Director of SHAL, Inc. regarding project cost
  - c. July 31, 2006 grant application to DCF
  - d. November 10, 2006, Final DCF funded project cost, budgeted memo to Trixie Pheron, SHAL Grant Advisor
  - e. December 6, 2006 – Homeless Housing Assistance Sub-Grant Agreement between BCCLT and SHAL
- D. DCF Homeless Housing Project – Construction Phase documents
  - a. April 30, 2007, General contractor agreement with Kinky Construction
  - b. January 3, 2007, Independent contractor agreement with Adrian Poitier
  - c. Checks written to Adrian Poitier driving 2007 related to SHAL project
  - d. 2007 Form 1099 issued by BCCLT to Adrian Poitier.
- E. Detail listing of DCF Homeless Housing Grant expenditures submitted by BCCLT to SHAL, Inc.
- F. SHAL Homeless Project Development Team Meeting Minutes
  - a. November, 2006                      Reported Cost                      \$        0
  - b. December, 2006                      Reported costs                      \$        0
  - c. January, 2007                      Reported costs                      \$        0
  - d. February, 2007                      Reported costs                      \$ 11,418
  - e. March, 2007                      Reported costs                      \$ 71,071
  - f. May, 2007                      Reported costs                      \$ 73,050
  - g. June, 2007                      Reported costs                      \$185,997
  - h. July, 2007                      Reported costs                      \$152,020
  - i. August, 2007                      Reported costs                      \$ 53,727
  - j. December, 2007 (Final)              Reported Costs                      \$ 80,701

- G. \$275,000 loan documents from Centennial Bank, change in terms agreement dated April 11, 2009 and modification of mortgage dated April 11, 2009.
- H. 10/17/2007 BCCLT Board minutes, Executive Directors Report.
- I. 8/17/2007 TIF reimbursement request for property rehabilitation expenses for 307 and 307½ Julia Street.
- J. 9/20/2007 cumulative report of revenues and expenditures from BCCLT bookkeeping firm to support TIF payment request of \$66,339 on April 4, 2008.



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## **Independent Accountants' Report on Agreed Upon Procedures**

Mr. James Scholl, City Manager  
City of Key West, Florida

We have performed the procedures enumerated below, which the City of Key West has specified to the financial records of the Bahama Conch Community Land Trust of Key West, Inc. (BCCLT) from inception through the year ended September 30, 2009. This engagement is solely to assist the City of Key West (City) in monitoring the BCCLT's compliance with its grant agreement with the City and to assist the City in assessing whether the BCCLT is materially in compliance with Florida and Federal laws and rules. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the City of Key West. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are listed in the attached report.

We were not engaged to, and did not conduct an audit or examination, the objective of which would be the expression of an opinion on the financial statements or the financial records of the BCCLT for the period from inception through the year ended September 30, 2009. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City, its Citizens and the BCCLT Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Clearwater, Florida  
December 10, 2009

## Executive Summary

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As of October 31, 2009, the BCCLT had almost no available cash deposits in its checking accounts, no paid staff for the administrative office on 305 Julia Street, and the Executive Director, Norma Jean Sawyer has been laid off. The administrative office was only staffed part-time by Board members volunteering their time and several Board members spoke to me concerning a need to reorganize so that the current tenants would not be harmed. Normal month cash deposits from tenant rents are less than \$20,000.

The following is a summarized list of liabilities as of October 22, 2009 assembled with the help of George Hurd, volunteer bookkeeper for the BCCLT. We have adjusted these liabilities for the findings noted in the accompanying agreed-upon procedures report. Several of the additional liabilities are based on estimates made during our examination and are subject to change as additional data is obtained and more inquiries are made by other departments of the City of Key West, Monroe County and the State of Florida.

	<u>As recorded by BCCLT</u>	<u>As adjusted</u>	<u>Revised Total</u>
Accounts payable (Detail listing attached in Appendix A).	\$147,113		\$147,113
Other accrued expenses – Bender Architect fees.	\$64,637		\$64,637
Estimated unpaid payroll expense and related taxes.	\$36,091		\$36,091
Estimated wind insurance premiums on expired policies for owned properties.	\$30,500		\$30,500
Marine Bank loan secured by 303, 305, 307 Julia Street properties. Interest only loan.	\$274,500		\$274,500
Key West Bank loan secured by 629 Caroline Street.	\$75,002		\$75,002
SHIP loan due to the Key West Housing Authority related to the sale of 227 Virginia in 2002.	\$36,000		\$36,000
SHIP loan due to the Key West Housing Authority related to the Geraldine Street. This is a self amortizing loan not requiring any cash repayment assuming owner of property meets low-income criteria.	\$30,000		\$30,000
Unsecured loan to Enterprise Community Finances, past due, related to funding of pre-development costs of the Truman Annex property.	\$25,000		\$25,000
Unsecured loan payable to Lofton Sands	\$47,968		\$47,968
TIF duplicate billing related to reimbursement made on June 18, 2008. Overpayment discovered by Shawn Smith, City	\$102,306		\$102,306

Attorney.

	<b>As recorded by BCCLT</b>	<b>As adjusted</b>	<b>Revised Total</b>
Estimated questioned costs related to use of DCF SHAL grant funds to build the administrative office at 305 Julia which is listed in the grant contract as a disallowed cost. See procedures 3, 4, 5 and page 34.		\$175,300	\$175,300
Estimated questioned costs related to potential refund of excess DCF grant funds received by the BCCLT for the SHAL project. See procedures 3, 4, 5 and page 34.		\$84,391	\$84,391
Over billing errors in 5 other TIF reimbursement requests to the City of Key West. See procedures 3, 4, 5 and page 45.		\$259,982	\$259,982
Over billing of TIF reimbursement made on 8/17/2007 related to 307 Julia and 307 ½ Julia. Noted duplicate billing to SHAL project and errors in documentation. See procedures 3, 4, 5 and page 45.		\$59,262	\$59,262
Unfunded prepaid rent and tenant security deposits. See procedure 6 and page 55.		\$11,999	\$11,999
Estimated refunds of sale proceeds of \$74,192 for 310 Truman and \$81,505 for 309 Julia Street to the Monroe County Land Authority. See procedure 7 and page 58.		\$155,697	\$155,697
Improper use of \$47,344 of excess construction loan proceeds related to 227 Virginia and 1031 Howe Street properties for operating working capital purposes of BCCLT. The withdrawal of excess construction loan proceeds reduced the net proceeds at sale which affected latter TIF reimbursement calculations. See procedure 7 and page 58.		\$47,344	\$47,344
Expenditure of unused State Weatherization grant proceeds for general operating purposes. Page 77		<u>\$37,330</u>	<u>\$37,330</u>
<b>Total liabilities</b>	<b><u>\$869,117</u></b>	<b><u>\$831,305</u></b>	<b><u>\$1,700,422</u></b>

## Procedure 1

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Carr, Riggs & Ingram (CRI) will read and inspect the July 7, 1999 agreement between the CRA and the BCCLT and the June 27, 2001 grant agreement between the City of Key West, Florida and BCCLT to determine the key provisions of this contract. CRI will summarize these key contract provisions in our Agreed Upon Procedures Report.

### **Results of procedures and findings:**

Based on our performance of these procedures, review of documentation and inquiry of BCCLT personnel, City of Key West personnel and BCCLT Board of Directors, we noted the following areas of non-compliance:

1. During our engagement, we noted several examples (See Executive Summary) of overstated TIF reimbursement requests to the City for unfunded repairs and improvements to low income housing units owned by the BCCLT that were already reimbursed by other State and Federal agencies, commercial construction loans or previously received TIF grants.
2. We noted a significant number of tenant files which contained insufficient documentation of tenant income levels and verification of employment. As a result, it is not possible to determine that all tenants qualify under the Affordable Housing Guidelines. (See procedure 6)
3. The 2001 grant agreement requires compliance with the State of Florida Sunshine and Public Records law. We noted numerous exceptions during our examination which are reported in other sections of this report.
4. The 2001 grant agreement requires the maintenance of proper insurance on all properties to protect the BCCLT and the City. We noted lapses in insurance coverage from March, 2008 to July, 2008 and again in July, 2009. As of July 22, 2009, most wind insurance coverage was cancelled for lack of payment and on October 5, 2009, all flood insurance was cancelled for lack of payment. By the end of October, 2009, most remaining liability, fire and workman's compensation coverage's have been cancelled. Only the D & O Liability policy was still in force as of October 31, 2009, and selected insurance policies on properties subject to mortgages.
5. For most years under examination, the annual audited financial statements of the BCCLT were not received by the City within 90 days after the close of the September 30 fiscal year. (See procedure 10)
6. The 2001 grant agreement requires the preparation of a compliance audit if one is necessary. In the September, 2007 fiscal year, State and Federal grant expenditures

received from SHAL exceeded \$500,000 which would trigger the requirement for a A-133 or State Single Audit. None was performed.

7. Our review of the BCCLT minutes revealed that the auditors presented and discussed management letters with material weaknesses and significant deficiencies for the following fiscal years:
  - September 30, 2004, report dated February 21, 2007
  - September 30, 2005, report dated February 21, 2007
  - September 30, 2006, report dated February 20, 2008
  - September 30, 2007, report dated June 10, 2008

None of the auditor management letters or corrective plans developed by BCCLT management were given to the City as required by the Grant Agreement (See Appendix B).

The following is a summary of the key provisions of the July 7, 1999 agreement between the BCCLT and the Caroline Street Corridor and Bahama Village Community Redevelopment Agency (CRA).

- The CRA receives tax increment funds (TIF) under Florida Statutes, Section 163.387.
- The CRA is obligated to spend these TIF funds under Chapter 163, Florida Statutes and Section 19.16, Key West Code of Ordinances.
- The CRA's governing board is the Key West City Commission.
- The CRA may grant TIF funds to the BCCLT on a project specific basis based on approval of the resolution of the CRA governing board.
- The BCCLT agreed to use TIF funds mainly for land acquisitions, land clearance and to a limited extent for administrative expenses.
- The CRA reserved the right not to grant any TIF funds to the BCCLT in a given year.
- The CRA has the right to audit the books and records of the BCCLT at any time to review the use of TIF funds.
- If the CRA determines that TIF funds have not been used properly, the BCCLT agrees to refund upon demand any misallocated funds.
- Either the CRA or the BCCLT can terminate the agreement with a 60-day written notice. Upon notice of termination by the CRA, the BCCLT agrees to refund any unexpended or uncommitted TIF funds.

We reviewed the June 27, 2001 amended grant agreement between the BCCLT and the City of Key West, Florida. The City issued \$2,500,000 in Special Obligation Revenue Notes, Series 1 to fund this grant. The purpose of this grant was to finance the cost and rehabilitation of affordable properties within the Bahama Village Area of Caroline Street Corridor and Bahama Village Community Redevelopment Project.

The following is a summary of the key provisions of the 2001 grant agreement:

- BCCLT is to use the proceeds of this grant solely for acquisition and rehabilitation of properties with the Bahama Village Area and for no other purpose.
- All properties acquired by the BCCLT shall reference this Grant Agreement by denoting on every BCCLT property deed that all BCCLT properties are subject to this Grant's covenants and restrictions.
- Grant agreement defines terms such as "Affordable Housing Guidelines", "Eligible Persons", "Income Certification", "Land", and "Term of Agreement".
- Section 2 of the Grant agreement requires the BCCLT to submit a disbursement request including a detailed cost summary & statement that all City Grant proceeds will be used to reimburse the Land Trust for acquisition and rehabilitation of eligible properties.
- In Section 2 of the Grant, BCCLT is required to:
  1. Maintain evidence of compliance with Affordable Housing Guidelines
  2. Comply with title requirements and transfer of property pursuant to the Affordable Housing Guidelines.
  3. BCCLT shall be prohibited from expending proceeds of this grant for the purchase and rehabilitation of Land owned by any member of the Board of Directors or any employee of the Land Trust; including child, spouse, parent or sibling.
  4. The proceeds of the grant shall be used solely for acquisition and rehabilitation of affordable housing. This grant agreement prohibits the use of grant funds for operational expenses and administrative costs.
  5. BCCLT shall not make a profit from the projects that this grant is funding.
  6. All BCCLT properties acquired or sold must reference this Grant Agreement
  7. Executive Director or President of BCCLT cannot be Treasurer or CFO.
  8. BCCLT must comply with Florida Statute 119 (i.e. Public Records Laws such as minutes and financial information) and Sunshine Law where applicable.
  9. BCCLT is required to pay for and maintain insurance on all properties sufficient to protect the Land Trust and the City. Insurance required includes, but not limited to,

includes general or commercial liability insurance and workmen's compensation. BCCLT shall provide the City with a Certificate of Insurance on Request.

10. BCCLT will not take on an activity that could impair its non-profit status under the Internal Revenue Code [i.e. 501 (c) (3) statuses].

- Section 3 - An Income Certificate is required prior to initial occupancy of all Eligible Persons.
- Section 3 - BCCLT shall maintain records of incomes of tenants or owners prior to initial occupancy so as to document that these persons were in fact actually eligible persons.
- BCCLT will comply with all applicable fair housing laws; including Chapter 72 of Key West Code of Ordinances.
- Section 5 states that all BCCLT land that is conveyed shall have the covenants and restrictions subject to the affordable housing rules run with the land.
- BCCLT warrants that it will indemnify the City and hold it harmless from any claims, losses or damages it causes as a result of:
  - (a) Default, Breach, Lack of Performance, etc. of this grant agreement.
  - (b) BCCLT's failure to comply with any requirement of this Agreement.
  - (c) Any injury or damages caused by the action or inaction of BCCLT regarding one of the properties in this Project.
  - (d) Violations of Environmental laws or rules.
- Term of Grant agreement - later of:
  - (a) Note repayment or
  - (b) 99 years.
- BCCLT shall provide the City with annual audited financial statements, compliance audits required by law and any management letters arising from the audited financial statements within 90 days after the close of each year. If a management letter is issued by the auditor, the schedule of corrections developed by the BCCLT management will be provided to the City within 30 days of its development. (Section 8).
- The BCCLT shall not enter into a sale, lease, exchange, conveyance, transfer or disposition of any property of the Project or encumber any property without prior written consent of the City.
- Exhibit B - Provides for very specific requirement of who qualifies for Affordable Housing "Eligible Persons"; including income limitations, use and transfer restrictions.

- Exhibit C - Required "Resident Income Certification" Form to be filled out by potential recipient.
  
- We noted that a TIF reimbursement request for \$59,262.21 approved on August 8, 2007 by resolution 07-276 related to development expenses for 307 and 307½ Julia Street properties. From the documentation submitted by the BCCLT, we could not determine if the reimbursement request for expenses related to an administrative office for the BCCLT or funding needed to construct new low-income residential housing units. The City Attorney, Shawn Smith, should determine if the type of expenditure is allowed by State Statute or City of Key West Ordinance. This construction project appeared to be fully funded by DCF.
  
- As we will discuss in other sections of this report, the \$59,262.21 reimbursement request which was paid by the City was based on submitted copies of BCCLT disbursement records, invoices and checks that had:
  - 1) Already been included as an allowable cost for a DCF grant administered by SHAL (Southernmost Homeless Assistance League).
  - 2) Were based on checks that were never mailed to vendors, checks returned by the bank as NSF and not reissued or payments on vendor invoices never made after the City funds were received.

## Procedure 2

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CRI will make inquiries of management of all fiscal year 2008 & 2009 Board of Director minutes. We will review all meeting documents, notes or tapes of fiscal 2008 & 2009 minutes. We determine whether Board Meetings occurred in 2008 & 2009 by confirming the existence of these meetings along with the nature of these meetings with at least one Board member. We will report the results of our inquiries, review of Board notes, tapes, etc. in our report. We will also inspect BCCLT documentation for the required 10 days written notification of Board Meetings in 2008 & 2009 and report those findings to you.

### Results of procedures and findings:

1. CRI made inquiries as to the nature and frequency of Board Meetings in 2008 & 2009. For example, we asked management how often the BCCLT Board has meetings on an annual basis. George Hurd, the volunteer in-house accountant, said the Board meets at least monthly. However, sometimes the Board meets more often if a special meeting is necessary to address some big issue or situation that arises.
2. We asked how Board Members were notified about Board meetings. George Hurd said that regular Board meetings are normally scheduled for the 2<sup>nd</sup> Wednesday of every month. Mr. Hurd said that Board members are sent e-mail notification of the meeting in advance (i.e. normally a week or several days before the meeting). Norma Jean Sawyer, the BCCLT's Executive Director, also confirmed the e-mail notification process for the 2008 & 2009 Board Meetings.
3. CRI made inquiries regarding compliance with the Florida Sunshine Law and the Public Records Law, Chapter 199 of the Florida Statutes. We found poor compliance with documentation related to the 10 day written public notification of Board meetings and requirements to prepare written Board of Director minutes for each meeting.
4. We noted that the following Board of Director meetings were held and as of October, 2009, written Board minutes had not been prepared by the BCCLT although CRI was given tape recordings of the meeting. Transcripts have been prepared by CRI and are attached.

September 23, 2008  
October 10, 2008  
November 25, 2008  
February 25, 2009  
May 4, 2009  
May 12, 2009  
May 19, 2009  
June 24, 2009

5. Based on inquiry of BCCLT personnel and review of Board of Director meeting agendas, we determined that the following meetings were held but no tape recordings or notes of the meeting were given to us for review.

December 26, 2008  
January 14, 2009  
February 4, 2009  
March 24, 2009  
July 15, 2009  
August 3, 2009

The following summarizes extracts of the 2008 & 2009 Board Meetings:

**January 16, 2008**

- Discussed the transition from out-sourced accounting to in-house accounting; discussed new accounting software which includes a rental management module.
- Noel Puig was introduced as the new in-house accountant.
- Introduced the Weitzel Auditing Firm which is assisting the in-house accountant with development of an in-house accounting system; the audit firm provided a draft of the 2005/2006 audit report.
- Discussed normal business such as status of tenancy and rent reports
- Norma Jean took a fact finding trip to Grand Cayman and Cozumel and a two-day stay over in Miami in order to do research on affordable housing issues. Minutes state that Norma Jean Sawyer paid for these expenses personally.
- Disclosed in minutes that BCCLT met with a group of the City of Key West Staff including the City Manager, the LRA Development Manager, the Port Operations Director and Commissioner Lopez to determine the City's expectations of performance goals for BCCLT.

**February 13, 2008**

- 4<sup>th</sup> Quarter Financial Statements of 2007 and January 2008 financial statements were presented; Management reported that cash flow is "very, very tight..."; Management reported "getting projects underway" (i.e. City, County, State and Federal Grants) and fundraising are the two principal means of funding their current administrative expenses.
- BCCLT has a continued to draw down the Marine Bank loan and only has a remaining balance of \$7,300. Four potential buyers have been identified to purchase properties on Petronia Street and 304 Truman Street; funding for rehabilitation expenses are in place for these properties. Management reported that the Institute of Economics will loan BCCLT \$410K to complete projects. Management stated that they intend to repay these loans when the properties are purchased.

- The Board approved \$3.5K for Reggae Fundraising Concert.
- Deputy Director Winstead reported grant from Enterprise foundation for pre-development work at the Truman Waterfront; of which \$10K will come to BCCLT in the form of consulting fees.
- Jim Williams, a Project Manager, presented written report on process to procure CWHIP funding.

**February 25, 2008 (Special Called Board Meeting)**

- Norma Jean Sawyer, Executive Director, discussed the financial problems BCCLT and "what errors were made and ..." and what steps will be taken in the future to ensure that these errors don't happen again. **"All agreed that this type of situation must not happen again".**
- The Board & Management discussed the process and the action steps needed for obtaining outstanding TIF money due to BCCLT since mid 2007.

**March 12, 2008**

- Executive Director's Report - Norma Jean Sawyer explained to Board how she was either trying to set up meetings or had tried to contact four City Commissioners, including Commissioner Lopez and Commissioner Kelly, for reimbursement of TIF funds of \$66.3K. Mrs. Sawyer also reported to the Board that she will meet with the City Manager and Commissioners about BCCLT funds that are due from 5 properties that were originally purchased with the \$2.5M grant. Mrs. Sawyer told the Board that the City erroneously made deductions from BCCLT's TIF funds. **Mrs. Sawyer represented to the Board that once BCCLT receives the balance from the \$2.5M in grant proceeds, "This will greatly increase our unrestricted funds for operating and maintenance expenses."**
- Approved Resolution for BCCLT to borrow \$25K from Enterprise Foundation as a predevelopment loan to be paid in 18 months for Truman Waterfront Project.
- Approved Resolution for BCCLT to apply for loan of \$500K from the FL Housing Finance Corporation in predevelopment funds for the Truman Waterfront Project.
- Approved Resolution for BCCLT to procure \$415K loan from Federal Home Loan Bank of Atlanta via the National Housing Trust Community Development Fund to subsidize the State Green Project. Loan proceeds are predicated on pre-selling properties on Petronia Street (i.e. Heir Properties).

### **April 9, 2008**

- Executive Director reported receiving the \$66.3K in TIF money from the City of Key West.
- Discussion on specific strategic steps needed to take to implement Truman Waterfront Project into motion.
- Management reported to Board that State Green Project Funds could only be secured if permanent financing is obtained for prospective homeowners.

### **May 31, 2008**

- The Board of Directors made a motion, which passed, that allows BCCLT to increase the rent from 30% of an Eligible Tenant's income to a range of 30% to 40%.
- Management request that Board take part in a phone conference with the law firm of Holland & Knight on June 4, 2008. Holland & Knight was engaged by BCCLT to assist the organization, as its legal partner, in the development of Conch Village and the Truman Waterfront Parcel.
- Management reported to the Board that operating expenses has exceeded revenue by 60% over the past several months. Management stated that they expect the TIF funding and the "State" project will rectify their organization's cash flow deficiency.

### **June 4<sup>th</sup> Special Board Meeting**

- Discussed letter dated June 3, 2008 from the audit firm Bishop, Rosasco & Co., CPA's which discusses the merits of BCCLT getting reimbursed by the City of Key West for Allowable Acquisition and Rehabilitation Expenditures pursuant to the Grant Agreement dated July 1, 2001. The letter describes \$102K of expenditures that were incurred before this July 2001 grant document was signed but with the BCCLT's expectation of getting reimbursed. Also, this letter discussed the merits of the City reimbursing BCCLT for a 7.5% development fee for all development projects within the Bahama Conch Community. BCCLT is requesting that the City reimburse it \$353K for these "developer fees" that the auditor's had calculated based upon management's assumptions. The Board passed a resolution to invoice a total of \$455K to the City of Key West for the "developer fees" and for the pre-grant agreement acquisition and rehabilitation expenditures.
- Board passed a resolution that the BCCLT authorizes Holland & Knight to submit an application for funding to the Florida Housing Financing Corporation for a \$500K Predevelopment Loan Program for the Truman Waterfront Bahama Conch Village Project.

### **June 11, 2008**

- Board member Glenwood Lopez suggested that Board of Directors meetings be noticed earlier so that members and the public are aware of these meetings. Management stated that in the future the Board Meetings would be noticed in the newspaper 7 days in advance of the meeting.
- Board accepted and approved Charles Weitzel, CPA's September 30, 2007 audit report including management letter comments and material weakness comments.
- Management reported to Board that only 6 out of 28 tenants are in compliance with the City's July 2001 grant agreement's 30% income guidelines.
- Board members questioned whether management had a plan to use \$455K City Reimbursement Request for June 17, 2008 meeting. Management told the Board that they did not have a plan other than to pay \$170K of operational bills such insurance (i.e. \$100K of insurance is due immediately - June 2008).
- The Deputy Director of BCCLT reported that a probable arson fire damaged one of the BCCLT's properties at Geraldine Street. BCCLT did not maintain any insurance on this Geraldine street property when the arson occurred. As of June 4, 2008, management informed the Board that they currently have no insurance on any of the BCCLT properties for perils such as fire, liability, windstorm or flood. Board instructed management to get with insurance broker to get insurance quotes and make obtaining insurance a high priority.

### **June 30, 2008 Special Board Meeting**

- Meeting held to consider repayment terms for a \$26K advance to Norma Jean Sawyer. Board decided to enter into a formal employment agreement with Norma Jean Sawyer. BCCLT will be executed and finalize this employment agreement in the near future.

### **July 9, 2008**

- Executive Director's Report to the Board of Directors; This Executive Director's Report provides information about services provided by BCCLT and states that 47 housing units and 6.6 acres of land are under BCCLT's control and stewardship; Executive Director intends to develop a strategic plan to use TIF money in the future to fund historical projects such as the Martin Luther King, Jr. Community Pool in the Bahama Village.
- Management reports that BCCLT now has obtained fire and general liability insurance on all buildings at a cost of approximately \$18K. BCCLT expects wind and flood insurance to be

\$52K. The wind and flood insurance had not been bound at July 9, 2008. Also, management intends to obtain D & O insurance for \$3.5K at the Board's request.

- Plan for spending \$455K: avoid late fees, avoid bad press, protect assets, board and staff, reward and protect BCCLT staff, increase productivity of staff
- Jim Williams' monthly maintenance contract was reduced from \$5K per month to \$2K per month. Board approved new contract for Mr. Williams for \$2K per month.
- Motion to authorize management to pursue an agreement to purchase 322-324 Truman Street Properties (total of 22 units) and to identify acquisition and rehabilitation funds. It is unclear if this motion carried from review of the minutes.
- Motion to pay the past due property taxes of 316 Julia Street. The motion requested BCCLT pay \$24K of property taxes associated with this property. BCCLT intends to get this money back by the heirs of this family reimbursing BCCLT or via some legal action. Minutes do not indicate whether motion passed.
- Approved Holland & Knight's PLP application to the Florida Housing Finance Corporation for \$500K on behalf of BCCLT.
- Board approved engaging Joseph Albury for general legal services for a flat rate fee of \$3,000 per month.
- A resolution was approved to include the following members on the Development Team for the Truman Waterfront development: Lynn Washington of Holland & Knight, Biscayne Housing Group, Anne Pope, Bert Bender and Wheeler Winstead
- Executive Director requested that a \$25K performance bonus be approved for Wheeler Winstead. Following a short discussion; a vote was not taken on this matter at this time.

#### **July 11, 2008**

- Board approved a \$25K performance bonus to Deputy Director of the BCCLT, Wheeler Winstead.

#### **July 19, 2008**

- Board approved staff's proposal for \$39.5K disbursement for an undisclosed disbursement.
- Glenwood Lopez resigned as Treasurer and the Board approved Cecil Bain to replace Mr. Lopez as the new Treasurer and to be included as an authorized signer on all BCCLT accounts.

**August 20, 2008**

- Management informed the Board that all insurance for fire, liability, wind, workmen's compensation, and D&O insurance has been acquired through July 2009.
- Board was instructed that management intends to go out for bid for the September 30, 2008 audit.

**September 13, 2008**

- No minutes were available

**September 23, 2008 (No actual written minutes; these extracts were derived from taped audio files)**

- Board and Trust's Attorney discussed allegation of Norma Jean Sawyer offering approximately \$5K to John K. Smith to state that he worked on a job that Mr. Smith did not work on. The allegation involves Mrs. Sawyer soliciting Mr. Smith to sign false documentation for rehabilitation work to be reimbursed via various potential funding sources. BCCLT found out about these allegations through its Bank Officer, Todd German, of Marine Bank. The Land Trust's attorney, Joe Albury, recommended that he and Board members investigate this matter via discussing this matter with Mr. German and/or possibly issuing a subpoena to John K. Smith to provide a deposition on this matter and possibly suing Mr. Smith for slander.
- Joe Albury, BCCLT Attorney, told Board that he did not concur with the City's legal counsel's, Shawn Smith, assessment that the BCCLT was overcharging its tenants and are not attempting to comply with the City's Grant Agreement regarding the 30% annual income re-certification test. Mr. Albury informed the Board that Mr. Smith assessment is incorrect because BCCLT is complying with the Grant Agreement. According to Mr. Albury compliance is being met since once tenants are tested annually for re-certification those tenants who do not meet the 30% income test are either notified to move out of their rental unit or they are given a short period of time to get another job or find another source of income so that they are in compliance with their lease agreement and the City's grant agreement.
- The Board passed a resolution to evict Anita Bickers and Felix Cruz for non-payment since they are not in compliance with the 30% income test or have not provided information necessary to document their income. It was noted in the minutes that both of these individuals made a complaint to City Officials about BCCLT's poor operating practices. The Board discussed their concern about a lawsuit counter claim that these individuals could bring against the BCCLT where they could allege that they are being singled out for eviction

since they did file complaints with the City regarding BCCLT's poor financial operations and practices.

- As of 9/23/08, management asserted that 5 out of 12 units tested for income re-certification were not found to be in compliance with the 30% income test.
- Management informed the Board that as of 9/23/08 that approximately 15 units still need to be tested for income recertified in order to be in compliance with a City Grant Agreement. The City's Grant Agreement requires tenant's annual rent to be 30% or less of a tenant's annual gross income.
- Board and Management discussed public relation issues and how it should deal with the City in the future.

**October 10, 2008 (No actual written minutes; these extracts were derived from taped audio files)**

- Joe Albury, BCCLT attorney, introduced Todd German of Marine Bank to discuss his recollection of an allegation made that John K. Smith had told him that Norman Jean Sawyer offered John K. Smith a \$4.5K kickback to say that Mr. Smith worked on a rehabilitation job. Mr. Smith asserted to Mr. German several times that Norman Jean had made this offer. The Board concluded based upon a sworn statement from Norman Jean and discussions with Todd German that the most likely scenario is that this was a rumor and Mr. Smith has no proof of his allegation and that allegation is 2<sup>nd</sup> or 3<sup>rd</sup> hand information. Board decided to document their investigation and instructed Mr. Albury to send a cease and a desist letter to Mr. Smith regarding this allegation.
- Management reported to the Board that BCCLT had a favorable revenue variance over budget of \$165K for the fiscal year ended September 30, 2008. Most of this favorable revenue to budget variance is a result of the \$455K that BCCLT receive from the City of Key West.
- Management and the Board desire to know what the fair market value of all property BCCLT owns as of the current date. Management suggested the Board consider budgeting for appraisals in the near future. Management estimates that as of September 30, 2008, BCCLT owns, at fair market value, approximately \$15M to \$20M of real property.

**November 25, 2008 (No actual written minutes; these extracts were derived from taped audio files)**

- Board Member and BCCLT President, Jim Marquardt, resigned from his office as President and as a member of the BCCLT Board. Board passed a motion to accept Mr. Marquardt's resignation
- Marcella Morgan also resigned from the Board. Board passed a motion to accept Ms. Morgan's resignation.

- Management suggested that in the future BCCLT should work more closely with Monroe County rather than strictly through the City since management believes that BCCLT might receive better support in the future than they have received from the City.
- Officers Elected for fiscal year 2008/2009
- Discussed how BCCLT can persuade City to move forward on 6.6 acres lease on old Navy Base property. The proposed term of the lease is 99 years at \$1 per year. BCCLT management and the Board believe that there is no reason for the City to hold this lease up at this time.
- Board members expressed their frustration with the City that they do not feel that the City is supporting them in meeting their affordable housing goals.
- Board authorized new signatories for the BCCLT depository accounts for all new Board Officers.

**December 26, 2008**

- Meeting occurred but no minutes nor any audio tapes were available for this Board meeting; we did see an agenda which included the following topics:
  1. Community Collaboration
  2. The Budget Request
  3. Attorney Joe Albury discussion with Board regarding "Cancellation of TIF Agreement Between The City Of Key West & BCCLT"

**January 14, 2009**

- Board meeting occurred, but, no minutes nor any audio tapes were available for this Board meeting; we did see an agenda which included the following topics:
  1. "Commitment to Economic Viability of BCCLT" - Presentation by Norman Jean Sawyer
  2. Development Pros & Cons of Development Agreement with Biscayne Housing Group
  3. Lease Negotiations with the City of Key West & Jim Hendricks request for "Transparency in the Development Project/Process: Motion Required"

4. Motion & Approval required to apply for Fictitious Name for Maintenance Program.

**February 4, 2009**

- Board Meeting occurred, but, no minutes nor any audio tapes were available for this Board Meeting; we did see an agenda which included the following topics:
  1. Discussion and Adoption of Final Budget Cuts
  2. Weatherization Assistance Contract
  3. Meeting with County Administrator
  4. Sheriff's Forfeiture Fund Application
  5. Housing Project Update

**February 25, 2009 (No actual written minutes; these extracts were derived from audio tapes)**

- The Board discussed in great detail whether it had already approved the Biscayne Housing Group (BHG) developer agreement. The Board discussed the City Mayors' request to have the developer agreement bid out. Board believes that since developer is a consultant/partner and is not actually building vertical structures that there is not a requirement to bid out this service. Lynn Washington, a Holland & Knight Attorney and who is also legal counsel for BCCLT on this Truman Waterfront 6.6 acres project, requested that the Board go to final approval on the developer agreement with BHG. Mr. Washington, the attorney, recommended that the Board approve and sign the development agreement immediately since he cannot move forward with the City Attorney, Shawn Smith, on the City lease for this Truman Waterfront property. The Board tabled approval of this development agreement for lack of a second.

**March 24, 2009**

- A Board Meeting did occur. But, there were no written minutes nor any recorded audio files; however, we did note a meeting agenda which included the following topics:
  1. Financial Report and update on the 9/30/08 audit
  2. Update on the Truman Waterfront Lease
  3. Development Agreement with Biscayne Housing Group
  4. Fundraiser April 5, 2009 - Flagler Grill

5. Request to purchase 2005-2007 Virginia Street
6. Last Stand Truman Waterfront Forum

#### **April 2009**

- There was no evidence of a Board Meeting; there was no agendas found for this month nor were there any audio recordings or written minutes noted.

#### **May 4, 2009 (No actual written minutes; these extracts were derived from audio tapes)**

- BCCLT Board discussed a Monroe County Housing Authority audit finding where on a BCCLT SHIP Loan, proceeds on a House built in 2002 (i.e. 227 Virginia Street) were improperly used by BCCLT. The Board note that they agreed that these SHIP proceeds did not go into this particular's property rehabilitation and improvement; but, rather went into the general operating accounts to pay for normal operating expenses. The Board agreed that this error occurred. The Board stated their belief that this particular situation was merely an error and a management oversight.
- Board discussed that the City of Key West found out about the SHIP loan problem and then analyzed 227 Virginia Street property only to discover that the City was overcharged approximately \$102K for TIF funds paid by the City for this same property. The Board agreed that this additional error on the same Virginia Street property was made as well. The Board discussed the fact that Suzanne Huffington of the Monroe County Housing Authority and John O'Brien have told the Board that they believe these funds have been misappropriated by BCCLT. Management told the Board that the Housing Authority was not given erroneous information by BCCLT. Management believes the Housing Authority accountants' misinterpreted the information given to them. Management stated that BCCLT has passed prior audits and this issue has not come to light in these prior audits.
- Board discussed concern about the public relations problem these disclosures are causing and how this should be dealt with.
- Board discussed the likelihood of the County Housing Authority Attorney turning this matter over to the State Attorneys' Office.
- Board concluded that errors were made on TIF billings to the City of Key West as well and that the City was improperly billed for non-rehabilitation work and that \$102K of funds were improperly used for operating expenses. BCCLT committed to pay back the City for this \$102K through the sale of 211 Petronia Street Property for \$242K from a potential cash buyer.
- Management recommended to the Board that BCCLT should sue the City for its discrimination and constant initiation of rumors against the BCCLT. The Board dismissed

suing the City since one Board member told the other Board members that you simply cannot sue the City for stupidity. The conclusion reached by the Board is that the BCCLT lacked sufficient funds and lacked a sufficient claim at this time to sue the City. The Board also concluded that although the BCCLT is proportionally responsible for some of these errors, the City of Key West is equally responsible since they have consistently done a poor job of oversight and are more interested in finding fault with BCCLT.

**May 12, 2009 (No written minutes were available; these extracts were derived from audio tapes kept off premises by a former employee - Noel Puig)**

- Quorums not present since only 3 out of 6 Board Members; legal counsel, Joe Albury, instructed Board they could not vote on any matter due to the lack of a quorum present.
- Discussed the notice given to BCCLT, by the City and by Jim Young, of various building code violations. These building code violations related to 304 Truman Avenue; 904 Emma Street; 222 Petronia Street. BCCLT's understanding is that these buildings have been deemed unsafe by governmental authorities and that they are at risk of being demolished. The Board noted that these three buildings were target for rehabilitation proceeds via FHFA Funding. However, the Board states that this FHFA Funding had recently de-obligated itself to these projects. The Board then discussed whether if these properties were sold by BCCLT for their land value whether they were required to return these proceeds to the Monroe County Land Authority since all three of these properties were originally purchased by the Authority and then subsequently deeded to the BCCLT. No conclusion was reached.
- Board discussed the fact that Peter Rosasco, the BCCLT auditor of record, agrees that the BCCLT owes the City of Key West \$102K for duplicate TIF funding billings by BCCLT.
- Board had lengthy discussion as to how the \$455K of City of Key West proceeds was spent during the current fiscal year. Board noted that a significant portion of fees were spent on architectural fees. The Board noted their concern how others outside the BCCLT Board might be concerned about the \$26K performance bonus paid to Mr. Wheeler. Board states how outsiders might consider this a questionable expense.
- Board discussed the potential sale of 211 Petronia Street property. Management now informed the Board that they can expect only approximately \$48K from this sale since 80% of the value is with the Land. Management stated that they could only sell the leasehold improvements to the potential buyer (i.e. original cost of property on books and amount paid for property by Monroe County Land Authority was \$375K before this property was deeded to BCCLT). Management noted that once this potential buyer purchase the leasehold improvements for approximately \$48K that this buyer would have to pay \$100 per month for lease payment for the land. The Board stated its disappointment of getting inaccurate information from management since the Board had already stated at a press conference that they intended to repay the City the \$102K they owed out of the proposed sale of 211 Petronia Street property proceeds of \$242K. Board stated they need more accurate information before they make any assertions to the press and to the City.

**May 19, 2009 (There were no written minutes available; these extracts were derived from audio files)**

- Legal Counsel stated that since this meeting was not advertised or noticed that it is not an official Board meeting that the Board could take an official vote.
- One of the Board Members, Bob Kelly, described what happened at a Code Enforcement hearing at Judge Oberby's Chambers regarding condemned properties owned by BCCLT (i.e. 222 Petronia Street & 304 Truman Street properties). Mr. Kelly told the Board that Judge Oberby has given BCCLT until June 24, 2009 to make the required repairs to bring the properties out of a condemned state. The Judge has assessed a code violation penalty of approximately \$18K. This code violation penalty is the result of approximately \$150 to \$250 per day assessment since these repairs were supposed to be completed by January 2009 without a response or action from BCCLT. Joe Albury, the BCCLT attorney, stated that if the repairs could be made by June 24, 2009 that he felt he could successful petition the judge to mitigate these penalties to somewhere between \$3K to \$5K.
- Board expressed their frustration at not being informed about these code violations by management. The Board stated that management has to start disclosing significant matters to the Board when they happen rather than finding out about them from Judges, City Officials, or the newspaper.
- Board Member, Bob Kelly, reported to the Board that the BCCLT is as of, May, 19, 2009, and essentially broke. Mr. Kelly stated that they don't have the funds at this time to repay the City the \$102K that the BCCLT owes nor does their organization have the funds to make the necessary repairs to bring 222 Petronia and 304 Truman Street out of a state of condemnation (i.e. estimated repairs to bring these buildings within code and out of a state of condemnation = \$22K). Mr. Kelly told the Board that the BCCLT's current cash balance is \$1.5K. Mr. Kelly stated that the BCCLT is basically insolvent at this time.
- The Board discussed the status of the potential sale of 211 Petronia Street Property. The Board believes that the high range of fair market value of this property's leasehold improvements (i.e. building) is \$100K. Attorney for this potential buyer will be gone for several weeks and, thus, the negotiation to consummate this deal cannot be completed until this attorney returns.
- The Board expressed their displeasure with the Executive Director taking leave time during this financial crisis for several weeks when she did not ask the Board for pre-approval for this time off. Also, the Board was upset at the Executive Director for the Code Violation fine of \$18K and not ever being told about these code violations and that the BCCLT had been in a state of non-compliance for approximately 5 months. The BCCLT attorney stated he too was not informed about the condemned buildings or the state of non-compliance from management.
- Board discussed the fact that the Executive Director created a new position, a personal assistant, and filled this position when the Board was not informed about this matter and this expenditure was not budgeted for. The Board stated that it now has plans to have the

Board President have a weekly meeting with the Executive Director to monitor her activity and to ensure financial budgetary compliance. Also, the President plans to ensure through this monitoring process to gain insight for the Board of all significant matters and to ensure these matters are disclosed to the Board on a contemporaneous basis.

- Board then stated that in order for BCCLT to get through this financial crisis that it must control its largest controllable budgetary expenditure, i.e. payroll. The Board stated that the Executive Director was paid approximately \$90,000 to \$96,000 in the current fiscal year along with a loan to the Executive Director of \$25,000 in this same fiscal year. The Board noted that the BCCLT in-house accountant's annual salary is approximately \$72,000 per annum. The Board stated that it must get with management and discuss a plan to cut costs including payroll.

**June 24, 2009 (There were no written minutes available; these extracts were derived from audio files)**

- Board invited BCCLT attorney, Joe Albury, and BCCLT auditor, Peter Rosasco, CPA, to this Board Meeting and asked them to give a presentation to the Board about how the \$102K double billing to the City occurred and what advice they had to the Board to deal with this matter.
- Peter Rosasco told the Board that management had asked that he and his firm assist BCCLT in putting together a request from the City of Key West in getting reimbursed for past projects overhead. Management stated that a 7.5% overhead rate or developer funding amount was a reasonable amount for past projects that the BCCLT had worked on in past years that were still unreimbursed. Mr. Rosasco stated that he put together the information management gave him and put the request in the form of a letter to the City. The City did end up reimbursing the BCCLT \$353K for this overhead or "developer fee" factor on all past projects that BCCLT did on behalf of the City via TIF funds or the \$2.5M grant. Finally, Mr. Rosasco stated that management also told him that they were never reimbursed for 227 Virginia Street rehabilitation improvements. Mr. Rosasco told the Board that he made a mistake and did not research the fact that in a prior year the City of Key West did reimburse BCCLT approximately \$102K for this project. Thus, he failed to see that when he and the BCCLT made a request to get reimbursed \$455K, which included the \$102K, that BCCLT was billing the City twice for the same job. Mr. Rosasco said that he made a mistake, BCCLT management made a mistake and the City of Key West made a mistake. Mr. Rosasco says everyone including the City gets management letter comments for mistakes made and this is an example of an isolated instance.
- Joe Albury, the BCCLT attorney, recommended to the Board that they should write a letter to the City acknowledging that a mistake was made and that the BCCLT was going to take responsibility for this mistake and repay the City the \$102K that it owes the City.
- Peter Rosasco, the BCCLT auditor, stated he has not performed a forensic audit and that a financial statement audit is different in nature and scope to a forensic audit. However, Mr.

Rosasco stated that he has current management letter comments for the 9/30/08 audit which has not been issued yet. Mr. Rosasco stated that the Board needs to take his management comments serious and address each and every one of them. These issues have significant ramifications on BCCLT's continued status to comply with the Internal Revenue Codes rules under 501(C) (3). The main concern is that BCCLT may have not complied with related party restrictions of the Internal Revenue Code (i.e. Adrian Poitier - Executive Director's son receiving hundreds of thousands of dollars for construction contracts). Also, Joe Albury and Peter Rosasco stated other areas that would be points of concern from the City of Key West's perspective would be:

1. Paying Wheeler, the Assistant Executive Director, a \$25K performance bonus on top of his \$65K annual salary. Wheeler was promised this \$25K performance bonus if he could procure the \$455K funds from the City of Key West.
  2. Paying Norma Jean Sawyer an annual salary of \$96K per year and getting a \$26K loan at the beginning of the year which has since been paid back.
- Board members discussed the most recent concern that some City Staffers believe that some rehabilitation funds earmarked for several rehabilitation projects have been diverted and used to renovate a property that Adrian Poitier inhabits.
  - Board discussed the need to hire a public relations person
  - Spent time discussing which City Commissioners their organization should support in the upcoming City Council Elections (i.e. which Councilman support BCCLT).
  - Board discussed outsiders telling them that the Board needs to terminate Norma Jean Sawyer from the BCCLT in order to improve the BCCLT's chances to obtain the Truman Waterfront's lease with the City. Board re-emphasized their support for Norma Jean Sawyer.
  - Board discussed ways to unseat a particular City Councilman. Chairman of the Board recommend that the Board should stay away from actively participating in campaigning against Councilman.
  - Board of Directors directed Norma Jean Sawyer not to speak to Press or to City Officials in order to reduce potential tension.
  - Norma Jean Sawyer told the Board that she would be willing to resign if the City made it a condition that she had to leave in order for the BCCLT to obtain a lease for the Truman Waterfront Property.
  - The BCCLT attorney, Joe Albury, stated that the Board had two viable options to move forward with the City. Mr. Albury recommended that the Board should immediately ask for Norma Jean Sawyer's resignation or the Board needs to obtain legal counsel from ACLU and begin suing the City over the 6.6 acre Truman Waterfront lease.

- Board stated its belief that Shawn Smith, the City Attorney, along with other City Officials are searching the horizon to find fault with BCCLT and purposefully placing the BCCLT in the worst light since the City has always had other plans for the Truman Waterfront property.

**July 15, 2009**

- A Board meeting did occur on this date. But, there were no written minutes nor were there any recorded audio files. However, we did note a meeting agenda; which included the following topics:
  1. Status of 9/30/08 Audit Report
  2. Administrative Income/Expenses
  3. Weatherization Income
  4. Code Enforcement Issues
  5. Sale of Petronia Street Properties
  6. New Hire
  7. City Audit Information
  8. Florida Voters League Convention

**August 3, 2009 (Special Board Meeting)**

- There were no written minutes and no audio files to memorialize this meeting.
- The only evidence of a meeting was a "Special Board Meeting Sign In Sheet"

There is no record of any other Board Meetings in the client files as of October 2, 2009 based upon CRI's inquiries.

## Procedure 3

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We will select 20 renovation projects from inception through September 30, 2009 from the general ledger. For each of these selected renovation projects, we will agree the total project costs in the BCCLT financial records into the following:

- Construction contract agreement and construction draw requests
- Direct subcontractor invoices, direct material invoices and internally provided labor cost allocations to the projects
- Project Request to City Summarizing Renovation Projects (i.e. TIF Money Requests) including applicable costs
- Cancelled checks to vendors supporting project costs
- Turn detail analysis of construction and renovation projects over to the City so the physical inspections can be performed

## Procedure 4

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We will select 10 renovation projects from inception through September 30, 2009 from the City approved TIF Requests (i.e. test from other direction). For each of these selected renovation projects, we will trace, match, and vouch the project description and total project costs into:

- The BCCLT's general ledger
- Construction contract agreement and draw requests
- Subcontractor invoices, direct material invoices and internally provided labor cost allocations to the project
- Cancelled checks to vendors supporting project costs
- Turn detail analysis of construction and renovation projects over to the City so that physical inspections can be performed

## Procedure 5

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We will obtain from BCCLT an activity report (i.e. example provided by Oceanside Accounting & Office Services – February 2006) that details all receipts and expenditures of all acquired properties from inception through September 30, 2009. From this activity report, we will test all acquisitions by vouching the acquisition amount on the activity report to the HUD closing statement, vendor invoices (i.e., surveys, appraisals, attorney fees, etc.) and to documentation of cash disbursements. We will trace the total acquisition price per this schedule into the BCCLT's general ledger and into the City books and records' which summarizes all grant disbursements by property.

### **Procedures performed and findings:**

We were engaged by the City of Key West to test 20 renovation projects from the BCCLT's general ledger to the source documents in order to provide information to the City so that it can assess the adequacy of the BCCLT's general ledger. The BCCLT's general ledger is the key accounting record used by the BCCLT to prepare its TIF Money Requests from the City. Also, we were engaged by the City to select 10 renovation projects and go from the City's TIF Requests and see if these project costs are reported in the BCCLT's general ledger (i.e. accounting records) and are properly supported by invoices and cancelled checks. The purpose of both these tests were to ensure that all expenditures reported to City in the form of a TIF or Grant request had adequate supporting documentation to back up these project costs reported to the City.

We combined the results of the steps above (i.e. Agreed Upon Procedures #3, #4 & #5) into one schedule (i.e. Schedule of Renovation Projects from Client Records). We actually tested all of the projects that BCCLT has done from inception through 9/30/09 (i.e. a total of 22 projects). Since we were able to test 100% of the renovation projects, this did result in us having to modified our agreed upon procedures from testing 30 projects to 22 projects.

In our attached Schedule of Renovation Projects from Client Records, you will note that we have provided BCCLT cost information as it is reported in the BCCLT's general ledger and the amounts that CRI could actually supported by vouching related expenses to a vendor invoice, to a cancelled check, to a closing statement, or to construction contract. You will note that CRI could not support a significant amount of the BCCLT's rehabilitation costs due to many factors. These factors include the following reasons:

- We noted that expenditures were charged to jobs which were supported with a voided check or with an NSF check (i.e. insufficient funds). In these instances where the expenditure was never actually paid, BCCLT still included this unpaid project costs in its billing request for TIF or Grant funds.
- We noted numerous instances where expenditures were made without any vendor invoice to support the project cost.
- We noted misclassified invoices that were coded to two different projects or were coded to the incorrect project based upon the invoice description.
- We noted costs being charged to jobs that were not rehabilitative project costs such as attorney fees, past due property taxes, office furniture, office equipment, accounting fees, auditing or utility fees (i.e. charged to miscellaneous development costs).
- We noted few instances where an actual construction contract with a general contractor was obtained. (i.e. Julia 307 & Virginia/Howe Projects). Thus, it was impossible to determine in most instances whether most of the rehabilitation costs that were charged to the job were within the scope and were within the range of the expected budget for these rehabilitative costs for each project.

On the attached schedule of Renovation Projects from Client Records, we were able to vouch 95% of all expenditures or acquisition costs from inception through September 30, 2009. However, as we stated above, a significant amount of these vouched costs are questionable development costs (i.e. office furniture, attorney fees, office equipment, etc.). Over \$400,000 of all rehabilitations costs expended were provided by Adrian Poitier, the son of the BCCLT's Executive Director. We were unable to vouch \$377,582 of the total acquisition or rehabilitation costs of the 22 projects that the BCCLT has engaged in from inception through September 30, 2009 due to lack of sufficient source documents.

Based on these initial results, we expanded our review of the Working Homeless Program project that was funded by a \$750,000 DCF grant, all TIF reimbursement payments made by the City of BCCLT and an analysis of costs incurred and sources of funding received to build two new homes on land donated to the BCCLT by the Monroe County Land Authority (227 Virginia Street and 1031 Howe Street).

See attached analysis.

City of Key West Approved Upon Preliminary (AUP) Requirement  
 Schedule of Reclamation Projects from Citizens Approvals - Issues # 1, 4 & 5  
 From Inspection Through September 30, 2009

From Citizens Approved Legals

Address	Type of Property	Date Purchased	Cost Paid by Seller	Reclamation Cost	Market Cost	Project Type	Project Price
<b>Low to Moderate Impact Housing</b>							
628 Caroline Street	Multi-Family	4/1/2001	373,923.00	133,348.00	34,612.00	N/A	N/A
130-116 Graham	Multi-Family	7/31/2001	994,311.00	69,336.00	6,326.00	N/A	N/A
303 Julia Street - Nonconform	SRO	2/22/2003	214,655.00	18,697.00	3,737.00	SRO	N/A
1013 Truman Street	Multi-Family	7/31/2001	979,060.00	373,050.00	1,991.00	N/A	N/A
015 Truman Avenue	Single Family	6/5/2002	302,330.00	1,203.00	1,505.00	N/A	N/A
1413 Albany Street	Multi-Family	5/18/2008	798,000.00	133,000.00	0.00	N/A	N/A
<b>Viewing Homesites Program</b>							
789 Patricia Street	Single Family	4/21/2007	315,000.00	130,225.00	120,728.00	N/A	N/A
203 Julia Street	Single Family	6/20/2002	0.00	34,763.00	0.00	N/A	N/A
507 Julia Street/103 Julia St.	Single Family	6/20/2002	334,344.00	676,603.00	332,697.00	N/A	N/A
<b>PMF Properties</b>							
211 Patricia	Single Family	4/1/2007	315,000.00	23,226.00	24,271.00	N/A	N/A
213 Patricia	Single Family	4/1/2007	915,000.00	373,000.00	24,186.00	N/A	N/A
222 Patricia	Single Family	4/1/2007	475,000.00	675,000.00	22,711.00	N/A	N/A
804 Emma	Single Family	4/1/2003	324,489.00	93,489.00	57,103.00	N/A	N/A
304 Truman	Single Family	7/31/2008	215,000.00	215,000.00	27,293.00	N/A	N/A
<b>Small Residential Improvements with Land Issues</b>							
1831 Howe St.	Land Ownership Only	7/1/2001	44,500.00	N/A	N/A	N/A	131,300.00
217 Virginia	Land Ownership Only	7/1/2001	44,500.00	N/A	N/A	N/A	29,820.00
284 Emma	Land Ownership Only	4/1/2001	137,125.00	N/A	N/A	N/A	56,200.00
981 Emma	Land Ownership Only	6/1/2009	0.00	N/A	N/A	N/A	30,000.00
223 Emma	Land Ownership Only	7/1/2009	177,235.00	N/A	N/A	N/A	118,931.00
507 Julia	Land Ownership Only	2/22/2002	120,000.00	N/A	N/A	N/A	81,505.00
310 Truman	Land Ownership Only	2/22/2002	35,671.00	N/A	N/A	N/A	24,152.00
Development Costs not associated with any particular property			0.00	13,225.00	11,229.00		
<b>Other Reclamation</b>							
505 Julia Street	Commercial Office	6/20/2002	0.00	50,140.00	36,975.00		
			5,898,181.00	1,031,217.00	788,051.00		

- a. Agreed amounts at their total amount of construction contract/financing statement/special report or to a County Department
- b. Traced (will cost to verify investment/cash draw request)
- c. Trace acquisition costs to City of Key West TR Reports
- d. Trace Project Costs to cancelled checks

1. Reconciled Total Costs to the SCLT's 10/7/08 General Ledger

2. Used SCLT Money for reimbursing these after construction expenses in violation of the residential grant agreement

3. Was unable to find support & watch all expenses reported in the general ledger

- 1. 307 Julia Street - 303 Julia Street (i.e., the City change the street number), also, 885 Julia was accounted as a part of the purchase of 307/303 Julia Street purchase
- 2. These promises are adjusted to one another and were combined together and the cost of 501 frames included in the land cost of 204 Emma

## BCCLT SHAL Homeless Housing Project Background Information – DCF Grant Application and Approval

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In the spring of 2006, Wendy Cole, Executive Director of SHAL (Southernmost Homeless Assistance League) and Ms. Sawyer, Executive Director of BCCLT, formed a partnership to submit a grant request to the Florida Department of Children and Family Services, Office of Homelessness to add 10 units of permanent housing for the homeless in Key West. The 10 units of housing would be a combination of renovations, demolition and new construction involving various properties originally purchased by the Monroe County Land Authority and then transferred to the BCCLT. The planned project involved renovations to the following properties:

209 Peronia	2 Bedrooms
307 Julia (now 303)	6 Bedrooms
307½ Julia (now 307)	2 Bedrooms
Administrative office (now 305 Julia)	

As part of the application process, construction cost estimates and architectural drawings were required. Since cash flow was limited at the BCCLT, Ms. Sawyer asked Board member Mike Skoglund, President of Kinky Construction, for assistance. Mr. Skoglund has been a licensed general contract and licensed architect in the Florida Keys for over 25 years. Mr. Skoglund agreed to prepare initial construction cost estimates and drawings at no cost to the project or BCCLT.

Mr. Skoglund completed and dated the initial cost estimates between June 21, 2006 to June 23, 2006 which are summarized below. The cost estimates included permits and contingency.

209 Peronia	\$184,000
307 Julia (now 303)	\$276,000
307½ Julia (now 307 apartment) and 305 administrative office	<u>\$290,000</u>
	<u>\$750,000</u>

Based on an interview with Mr. Skoglund on November 10, 2009, we confirmed that Mr. Skoglund had prepared the initial cost estimates listed above and had given them to Ms. Sawyer to assist in the preparation of the cost budget for the homeless housing project grant. We also confirmed that the cost estimate of \$290,000 for 307½ Julia covered the total cost of rebuilding this condemned building and converting it into a 2 bedroom apartment in the rear (now listed as 307 Julia), and an administrative office for the BCCLT in the front (now listed as 305 Julia). Based on a calculated cost of \$219.70 per square foot ( $\$290,000 \div 1,320$  square feet total for building) the approximate cost allocation would have been \$114,682 for the 2 bedroom apartment (522 square feet) and \$175,318 (798 square feet) for the administrative office. Other than Ms. Sawyer, we were not able to determine who received copies of the detail project cost estimates prepared by Mr. Skoglund.

Whether intentionally or by accident, the costs to build the two bedroom apartment in the rear of 307½ Julia Street (now 307 Julia) was incorrectly shown in the grant application as \$290,000 (\$555.56 per square feet) instead of the original cost estimate of \$114,682 (\$219.70 per square feet) prepared by Mr. Skoglund. The impact of this cost overstatement was to improperly present the disallowed costs of the administrative building as an allowed homeless housing project cost.

In a letter dated June 25, 2006 (actual date on letter is June 25, 2005 which appears to be a typo), Mike Skoglund confirms that the project costs for the HUD HHA grant will be \$750,000 to Wendy Cole, Executive Director of SHAL, Inc. (Appendix C)

The overstatement of the homeless housing project cost estimates continued in the July 31, 2006 grant application to Mr. Tom Pierce, Executive Director and Office on Homelessness, Department of Children and Families in Tallahassee. The costs to build 10 units of permanent homeless housing units was presented as \$75,000 per unit instead of the correct unit cost of \$57,468 (\$750,000 less estimated disallowed administrative office cost of \$175,318).

The total project cost was further increased by the addition of \$200,000 for non-grant funded costs of \$54,500 for new construction and \$145,500 for rehabilitation that were to be funded by a loan from Key West Bank. Based on discussions with Ms. Sawyer, the \$200,000 in additional costs was the unfunded costs to build the administrative office on Julia Street.

The ability of the BCCLT to fund these additional “non-grant funded” project costs with other private and public dollars was an important criteria used by the DCF in determining which grants were approved. The grant application lists the total cost of project as \$950,000 with \$750,000 funded by DCF and \$200,000 by private local sources (Key West Bank). The related leverage ratio of .27 was used to grade and rank this grant proposal. (Appendix C)

On November 10, 2006, a final DCF funded project cost budget was submitted by Ms. Sawyer to Trixie Pheron, SHAL 2007 Grant Advisor and approved as follows. (Appendix C)

**SHAL 2007 Project Cost Budget**

209 Petronia Street	Rehabilitation	\$128,500
307 Julia Street	Rehabilitation	\$276,000
307½ Julia Street	New Construction	<u>\$290,000</u>
		\$694,500
Permits		<u>\$ 18,000</u>
Grant funds to BCCLT		\$712,500
SHAL Grant Administration funding		<u>\$ 37,500</u>
Total SHAL Grant funded by DCF		<u><u>\$750,000</u></u>

The final Homeless Housing Assistance Sub-Grant Agreement between the BCCLT and SHAL was signed on December 8, 2006 by Wendy Cole, Executive Director, SHAL, Inc. and Ms. Sawyer, Executive Director on December 6, 2006. The Department of Children and Family Services, considered SHAL as the grant recipient and BCCLT as a sub-grantee. SHAL as the grant recipient had the primary responsibility to monitor BCCLT to insure grant performance and compliance. SHAL was paid an administrative fee of \$37,500 to monitor this grant. Grant funds to BCCLT were sent in three installments as shown below: (Appendix C)

1/30/2007	\$356,250
6/07/2007	\$178,125
7/20/2007	<u>\$178,000</u>
	<u>\$712,375</u>

The December 8, 2006 Sub-Grant agreement contains many compliance requirements that were to be monitored by SHAL. The most significant compliance requirements for this report are as follows:

¶4: The Sub-Grantee further agrees that it will use due diligence in supervising its contractors to assure that funds are expended for the purposes intended and that a full accounting for these grant funds is made to SHAL.

¶7: The Sub-Grantee agrees to maintain complete, accurate and adequate records, including financial records and audits, relating to funds received pursuant to this Homeless Housing Assistance Sub-Grant Agreement and of all expenditures made by Sub-Grantee and its contracts and vendors with grant funds. SHAL will require audit and complete record keeping by the Sub-Grantee. All records shall be in sufficient detail to permit a proper pre audit and a post audit of all expenditures.

¶8: The Sub-Grantee agrees to provide a financial and compliance audit to SHAL as specified in this Homeless Housing Assistance Sub-Grant Agreement and to ensure that all related party transactions are disclosed to the auditor.

¶16: The Sub-Grantee agrees to allow public access to all documents, papers, letters, or other materials subject to the provisions of Chapter 119, Florida Statutes, and made or received by the Sub-Grantee in conjunction with the Homeless Housing Assistance Grant Agreement.

¶21: The Sub-Grantee agrees to return to SHAL any overpayments or funds disallowed pursuant to the terms and conditions of this Homeless Housing Assistance Sub-Grant Agreement that were disbursed to the Sub-Grantee by SHAL. In the event that the Sub-Grantee or its independent auditor discovers that an overpayment has been made, the Sub-Grantee shall repay said overpayment immediately without prior notification from SHAL. In the event that SHAL first discovers an overpayment has been made, the Executive Director, on behalf of SHAL, will notify the Sub-Grantee by letter of such

findings. Should repayment not be made forthwith, the Sub-Grantee will be charged at the lawful rate of interest on the outstanding balance after SHAL notification or Sub-Grantee discovery.

Attachment 1 to the December 8, 2006 Sub-Grant agreement discloses that the construction costs for the administrative office space in front of building located at 307½ Julia (now 305 Julia) is disallowed and will be funded with non-federal dollars.

New Construct Start Date:	January 2007
Location of Site:	307½ Julia Street
Number & Cost of Unit:	1 two bedroom unit @ \$285,000
Approximate Completion Date:	June 2007

The present unit which was zoned for mixed use will be demolished and replaced with office space for BCCLT in the front that will be funded with non-federal dollars and one 2 bedroom unit at the rear of the building. Upon funding approval, BCCLT will finalize the building permit process and a line of credit will be applied for from Key West Bank to facilitate the pre-development cost of the project.

## **BCCLT SHAL Homeless Housing Project**

### **Background Information – Construction of Project**

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The construction phase started in late-February, 2007 with plans to demolish the interior of 307 Julia (now 303 Julia) and the demolition of 307½ Julia (now 305 Julia in front) and (307 Julia apartment in rear). After the demolition of 307½, a new structure will be built with the front façade saved.

To monitor the construction progress, monthly project development team meetings were held and written minutes were prepared. These reports were submitted to SHAL along with copies of project invoices and check copies to support costs incurred. This was a cost reimbursement contract. If actual allowed costs were less than the grant funds advanced, then the amount of under expenditure was to be returned to SHAL based on ¶21 of the sub-grant agreement.

The Monroe County Land Authority closed on the purchase of 209 Petronia in mid-April, 2007 and transferred title of property to the BCCLT.

By mid-May, 2007, the interior reconstruction of 307 Julia (now 303 Julia) was almost complete and the demolition of 307½ Julia was completed and the building had begun.

By mid-July, 2007, the remodeling of 307 Julia was nearing completion, 307½ Julia was 75% complete, and the rehabilitation of 209 Petronia was on schedule.

By mid-September, 2007, all three building under construction were listed as 95% complete in the project development team meeting minutes.

On October 16, 2007, a family moved in 208 Petronia. On December 14, 2007, a family moved into 307 Julia apartment which was in the rear of the old 307½ Julia Street location. Between December 10, 2007 and December 27, 2007, several tenants moved into the rebuilt 307 Julia Street (now known as 303 Julia).

In late-November, 2007, the administrative staff moved into the new administrative office which was the front half of the old 307½ Julia Street property (now 305 Julia).

## BCCLT SHAL Homeless Housing Project Background Information – Summary of Actual Project Cost

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Based on seven construction project progress reports submitted by the BCCLT from February 9, 2007 to December 31, 2007, the total SHAL Homeless project costs incurred were \$627,984 compared to an estimated budget in the grant application of \$950,000. Total SHAL project capitalized costs in the BCCLT general ledger are \$630,839. (Appendix F)

As we discussed earlier in the background narrative, the \$627,984 in actual costs include an estimated amount of disallowed costs for the construction of the administrative office on 305 Julia. These disallowed costs are estimated to be \$175,300 and will be listed as questioned costs in this report. In addition, the total grant amount of \$712,375 is greater than total net allowable expenditures of \$452,684 by \$84,391. This overpayment based on the grant contract terms will also be listed as a questioned cost. The ultimate determination of whether the \$175,300 and \$84,391 in questioned costs are refundable by the BCCLT will be made by DCF.

Total SHAL Project Expenditures as reported by BCCLT	\$627,984
Less: Estimated questioned costs for administrative office at 305 Julia	<u>(175,300)</u>
Total net SHAL Project allowed costs	452,684
Total SHAL grant funds received for allowed costs	<u>712,375</u>
Total questioned costs for SHAL project	<u>\$259,691</u>
Estimated questioned costs for administrative Office at 305 Julia	\$175,300
Estimated questioned costs for under-expenditure of Expenditure of grant funds	<u>\$ 84,391</u>
	<u><u>\$259,691</u></u>

Note: On December 3, 2009, we received a report from SHAL, Inc. which summarized the total amount of project check copies and vendor invoices submitted by the BCCLT. This report totals \$616,207 which is \$11,777 less than the total of \$627,984 shown above. This difference will have to be reviewed by the DCF and could affect the ultimate amount of questioned costs. (Appendix E)

## **BCCLT SHAL Homeless Housing Project Background Information – Use of Other Private and Public Dollars in SHAL Project**

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An important aspect of the SHAL Homeless Housing Grant was the commitment of the BCCLT to borrow from the Key West Bank \$200,000 to fund the disallowed costs of the administrative office and other project costs not funded by DCF. The loan from Key West Bank which was supposed to be available at the beginning of the construction project was not approved. The loan denial, however, did not produce any cash flow problems for the BCCLT since the DCF grant transfer payments of \$712,375 exceeded the actual construction cost of \$627,984.

As this overfunded construction project was nearing completion in September, 2007, the BCCLT requested permission from both the Monroe County Land Authority and the Monroe County Board of Commissioners for the BCCLT to borrow \$275,000 from the Marine Bank (now known as Centennial Bank) to fulfill the BCCLT obligation to the SHAL grant to provide private and public dollars to match DCF grant monies and increase the leverage ratio of funded projected. (Appendix G)

As documented in the October 17, 2007 BCCLT minutes, the Monroe County Board of Commissioners approved the BCCLT request to encumber the properties located at 303, 305, and 307 Julia as collateral for the \$275,000 mortgage loan which was signed on October 11, 2007. The BCCLT Board minutes state that the County also would allow the BCCLT to use “some of the loan proceeds” for pre-development and development costs of the BCCLT State Green Homeownership Project. (Appendix H)

It appears that most of the \$275,000 in loan proceeds were spent on operating expenses and costs related to the State Green Homeownership Project and not costs related to the SHAL project. The January 18, 2008 BCCLT minutes note that the loan balance has been spent down to \$17,000, however, the BCCLT plans to repay the \$275,000 loan with funds from the Institute for Community Economics by March, 2008.

The interest only \$275,000 loan has been renewed three times and now has a maturity date of April 11, 2012; however, the lender has the right to demand full repayment at any time. Monthly interest payments are \$1,962.

## BCCLT/SHAL Homeless Housing Project

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### Procedures performed and findings:

1. Obtain copies of 7/31/2006 Homeless Housing Project Grant applications, project cost estimates from Mike Skoglund, architect and final approved sub-grant agreement between SHAL and BCCLT dated 12/8/2006 and review for exception and other reportable conditions:

### Findings:

- a. The \$290,000 cost to build a 2 bedroom unit at 307½ Julia (now known as 307 Julia) contained \$175,318 of estimated disallowed costs related to the BCCLT administrative offices. These estimated disallowed costs were actually funded with DCF grant funds and are shown in the report summary questioned costs which may be refundable to DCF.
  - b. The Total project costs listed in the grant application and the final Sub-Grant agreement of \$750,000 for allowed costs and \$200,000 disallowed costs related to the administrative office (now known as 305 Julia) greatly exceeded the capitalized costs in the general ledger of the BCCLT. Total recorded capitalized costs for improvements to 303 Julia, 305 Julia, 307 Julia and 209 Petronia total only \$630,839. This \$319,161 difference calls into question the correctness of cost estimates in the grant application.
2. Based on review of documents and interviews with Mike Skoglund, President of Kinky Construction and Project Architect on November 10, 2009, determine the procedures he used to monitor, review, and approve project costs.

### Findings:

- a. The April 30, 2007 general contractor agreement between Kinky Construction and the BCCLT lists the contractor's duties as being responsible for all permitting and supervision of all construction. Mike Skoglund, President of Kinky Construction is also listed in the April 30, 2007 agreement as project architect. Kinky Construction and Mike Skoglund received no compensation for these services. (Appendix D)
- b. Mr. Skoglund, during our interview, stated that he had not seen the final sub-grantee agreement and was not aware that costs related to the administrative officers were disallowed and had to be tracked separately.
- c. Mr. Skoglund's main duties were to pull all job permits, be on the job site for all inspections and answer technical construction questions.
- d. Mr. Skoglund's review and oversight of project costs and performance of workmen was very limited. Mr. Skoglund did not approve project material invoices, sub-contractor contracts or payments, workmen's weekly time sheets, hourly rates of

pay or the summary of job costs submitted to SHAL on a weekly basis. He also did not review and approve the subcontractor agreement with Adrian Poitier, Project Supervisor. These are duties normally performed by the general contractor or project architect when they receive compensation.

- e. The monthly project development team meetings appeared to be the main method used to review and document the SHAL project status. The monthly written team meeting minutes were also used as a cover page for copies of paid project invoices submitted to SHAL as part of the reimbursement contract.

Mr. Skoglund stated that the team meetings were used to “walk the project” and review completion timelines. He did not recall ever seeing the detailed paid project invoices at a team meeting or discussing overall project costs versus project budget. He assumed that all paid invoices were assembled and attached to the team meeting minutes by Ms. Sawyer prior to filing with SHAL.

- f. Mr. Skoglund was aware that Adrian Poitier was the on-site daily supervisor for the SHAL work crew which was to a great extent an “on the job” training program for local homeless and other unskilled residents drawn mainly from Bahama Village. Job site supervision was also performed by Mitch Major who was a local instructor for various construction industry job training programs in Bahama Village until approximately April, 2007 when he left the job as a paid supervisor. Mitch Major is not a licensed general contractor.

Mr. Skoglund was not aware of the hourly rates of pay, how the workers were paid (cash versus check), the worker’s status as independent contractors versus employees of the BCCLT or how many hours per week were recorded on project time sheets. Detail review and approval of worker pay rates, hours worked and hiring decisions were made primarily by Adrian with assistance from Mitch until he left the job on April 2007.

- g. Mr. Skoglund had very little involvement in the selection of sub-contractors for the SHAL project and was not aware of any requirement to get at least two competitive bids for each sub-contractor award.
3. Based on a review of documents and an interview with Adrian Poitier on October 21, 2009, to determine the procedures he used to monitor, review, approve and segregate disallowed project costs:

**Findings:**

- a. Adrian acknowledged that he was the daily direct supervisor of the project work crews after Mitch Major left the project in April, 2007. The size of the work crew at two different sites ranged in size from 7 to 22 workers based on a sampling of timesheet that were selected for review during the time period from July 13, 2007 to September 1, 2007. Adrian was responsible for all hiring of crew members. He stated that all crew members were “independent

contractors" of his unincorporated company, Conquering Lion Handyman Services, and signed independent contract agreements.

- b. We randomly selected two work crew independent contractor agreements and noted that the agreements listed the BCCLT not Conquering Lion as responsible for paying the independent contractors. We also noted that neither of the independent contractor agreements we reviewed were signed by either the BCCLT or Conquering Lion.

Based on the level of documentation and control exercised over the work crew members, their status as independent contractors would be challenged by the IRS if an examination were performed. Either the BCCLT or Conquering Lion could be liable for interest, penalties and payroll taxes that should have been withheld from the crew members.

- c. Adrian stated that all accounting functions for his construction company were performed by his aunt, Iva Coleman. He stated that she prepared and filed all 1099's which reported wages paid to the work crew members for 2007. We have repeatedly asked for copies of these documents. None have been provided.
4. We reviewed with Adrian Poitier how he tracked and documented labor and material costs that he submitted to the BCCLT on a weekly basis for SHAL job cost reimbursement.

Our firm randomly selected 12 weekly reimbursement requests for Adrian Poitier from the time period of January 12, 2007 to September 1, 2007. These reimbursement requests totaled \$110,753. We noted the following:

- a. Weekly wages to work crew members were paid in cash by Adrian. Each employee was required to sign a receipt for pay received. Cash wages were for gross wages without any deduction for payroll taxes. "Gang boss cash payment" practices are not normally done in the Key West area based on an interview with Mike Skoglund, President of Kinky Construction. Gang boss cash payments practices for wages are subject to abuse and misstatement and not appropriate when they represent approximately 35% of the total costs on a federally funded grant project. Documentation of allowed project wages is better if checks are used to pay wages.
- b. We reviewed 12 randomly selected time sheet summaries and noted that time sheets were only maintained for 209 Petronia and 307 Julia. We asked Adrian what projects were included on the 307 Julia timesheets. He stated that his work crew was working on the whole 307 Julia building at the same time. The front portion of 307 Julia became the administrative office (now known as 305 Julia) and the rear portion became a 2 bedroom apartment (now known as 307 Julia). He

was not aware that the time and materials costs for the administrative building should be tracked separately. As a result, all labor costs and material costs for the allowed costs of the apartment (now 307 Julia) and disallowed cost components of the administrative office (now 305 Julia) were combined on invoices and timesheets submitted by Adrian for payment by BCCLT and then reimbursement from SHAL as a project cost.

- c. For the same 12 selected weekly reimbursement requests, gross wages claimed by Adrian totaled \$17,684. His hourly pay rate increased from \$22 per hour in January and February, 2007, to \$24 per hour in July 2007. On the July 27, 2007 timesheet, his pay rate increased to \$25 per hour and remained consistent for the remainder of 2007. We noted no documentation or approval in the Board minutes authorizing pay increases to Adrian.
  - d. From the July 15, 2007 time sheet to the August 31, 2007 timesheet, Adrian's total recorded hours ranged from 70 to 86 hours per week when the average crew member was paid for 40 hour per week. When we asked Arian about the high number of hours worked per week above 40, he stated that he spent the extra hours at home performing job planning, scheduling and materials ordering duties. Since no independent professional was consistently reviewing and approving Adrian's weekly timesheet, it is not possible to determine if job wage costs for Adrian are correctly stated.
  - e. We reviewed with Adrian how his status as the SHAL project supervisor was documented and his rate of pay determined. Adrian initially did not remember signing a sub-contractor agreement with BCCLT for the SHAL project; however, Ms. Sawyer produced a signed document dated January 3, 2007 several weeks after our initial interview signed by the Board President, James Marquardt. An analysis of the check register of the BCCLT shows that Adrian Poitier was paid \$294,434 in 2007 for his labor costs, the costs of his work crew and material reimbursement. The Board minutes do not document a review and approval of this contract or any comments about a potential conflict of interest regarding this contract since Adrian was a Board member from September, 2006 to September, 2007. Adrian was not a licensed general contractor in Key West until December, 2008. (Appendix D)
5. We obtained a copy of the 2007 Form 1009 issued to Adrian Poitier. Total non-employee compensation is reported at \$306,440 which does not agree to the check register total of \$294,434. We also noted that Adrian's social security number on the 2007 Form 1009 was not correct. (Appendix D)
  6. We reviewed with Adrian why his sub-contractor payment in 2007 were made directly to him by BCCLT instead of by Kinky Construction who was the listed

general contractor for the total SHAL project. It is normal practice in the construction industry for the project general contractor to receive all project draw requests and then make payments to sub-contractors. Based on additional review of documents, we determined that the practice of the BCCLT paying Adrian directly when he was a sub-contractor under the control of Kinky Construction was a Board approved policy that was discussed in the footnotes to the September 30, 2003 audited financial statements.

#### Note 7 – Related Party Transactions

“The Organization entered into a construction contract with Kinky Construction, which is owned by Organization Director Mike Skoglund. The Organization was billed \$71,300 under this contract and made payments of \$16,100 during the fiscal year ended September 30, 2003, leaving a liability to Kinky Construction of \$55,200 at fiscal year end. These transactions were approved by the Board.

Adrian Poitier, the son of the Executive Director, was involved in the Kinky Construction project described above and received payments from Kinky Construction as a subcontractor. As part of this same Board-approved program, the arrangement changed from payment to Poitier and others through Kinky Construction to direct payment to Poitier (and others through Poitier). Separate from the amounts noted above, the Organization paid Poitier a total of \$23,934 for contract labor and various supplies during the fiscal year ended September 30, 2003. These transactions were approved by the Board.”

7. Based on a review of documents and interviews with Wendy Cole, Executive Director of SHAL, Inc. during October and November, 2009, determine the procedures she used to monitor, review, and approve project costs. In addition, what procedures were used to test compliance with the terms of the December 8, 2006 sub-grantee agreement between SHAL, Inc. and the BCCLT.

#### Findings:

- a. ¶14 of the sub-grant agreement requires BCCLT to use due diligence in supervising its contractors to insure funds are properly expended for the project.

Accounting controls and systems in place at BCCLT to monitor and control SHAL grant project costs were weak because a licensed general contractor and architect was not properly used to control the activities of the construction crew, sub-contracts and the purchase of job related materials. Mike Skoglund, the listed general contract, could have performed this role but his actual functions were limited by the terms of his contract and the fact that he was not paid to perform any required services. The actual roles of controlling the job cost accounting, hiring of sub-contractors, and purchasing job materials were primarily done by Ms. Sawyer, Adrian Poitier (son of Ms. Sawyer), and Mitch Major. None of these three

individuals were a licensed general contractor in 2007. Wendy Cole was aware of Mike Skoglund's lack of actual involvement and the heavy involvement of Ms. Sawyer, Adrian Poitier and Mitch Major. Wendy Cole did not object to this unorthodox method of not requiring properly trained professionals to take full responsibility for a \$95,000 project involving \$712,500 of DCF funding. The monthly SHAL project development team meetings which were normally attended by Ms. Sawyer, Adrian Poitier, Wendy Cole and Mike Skoglund could have been used to review and discuss actual job costs incurred and review submitted bills from all sub-contractors. In interviews with both Mike Skoglund and Wendy Cole, they both stated that actual job cost invoices that were submitted to SHAL to support incurred costs were never presented, reviewed or discussed at the development team meetings. All paid bills and supporting checks were assembled and sent to SHAL by Ms. Sawyer and her staff after the development team meetings had ended.

- b. ¶7 of the sub-grant agreement requires the BCCLT to maintain complete, accurate and adequate records related to DCF grant funds received.

We noted inadequate records were maintained related to properly recording and segregation of "disallowed costs" related to the construction of the administrative office (now known as 305 Julia). We have already discussed a questioned cost of approximately \$175,300 that was not properly identified in the accounting records.

Wendy Cole knew that \$200,000 of the construction project involved the use of non-federal funds to be funded by a \$200,000 construction loan for the Key West Bank. Wendy Cole, in my interview, stated that she did not inquire if the construction loan was ever obtained and she did not question Ms. Sawyer regarding modifications to the BCCLT accounting system that would allow the separate tracking of "disallowed costs" for this project.

We also noted that job cost invoices were not properly cancelled or coded to document proper general ledger posting. This led to duplicate reimbursement requests for payment of job cost invoices from both the City of Key West and SHAL, Inc.

Most vendor checks submitted to Wendy Cole as support for job cost expenditures were copies of hand written checks before being submitted to the vendor or the bank for clearing. We noted several instances where checks submitted to either the City of Key West or SHAL were returned by the bank as NSF and either were never replaced or replaced with another check. We noted several instances where an NSF check and the replacement check were, however, both submitted as valid SHAL job costs or TIF reimbursement expenditures.

Many of the SHAL project development team meeting reports were used as a cover page to summarize job costs incurred during a specific period. These reports were then attached to voluminous pages of copied invoices and check copies. It does not appear that Wendy Cole verified that the attached invoices and checks reconciled to the job cost summaries or asked for any verification that this cost information

agreed to postings in the accounting records of the BCCLT. After my meetings with Wendy Cole in late November, 2009, the staff of SHAL is verifying the accuracy of job cost invoices attached to the various job cost summaries. On December 3, 2009 we received a report from Wendy Cole that summarized SHAL project costs submitted by the BCCLT as \$616,207. Differences have been noted and are being investigated. Unresolved difference could increase the amount of questioned costs to be reviewed by DCF.

- b. ¶8. The sub-grantee agrees to provide financial and compliance audits to SHAL.

For the fiscal year ended September 30, 2007, expenditures for the DCF grant exceeded \$500,000 and either a Federal A-133 Single Audit or a state single audit should have been prepared. The BCCLT did not engage their auditor to perform a single audit.

The auditor for the BCCLT issued a "clean auditors opinion for this fiscal year and his management letter did not note the lack of an A-133 single audit as a material weakness.

Until my meeting with Wendy Cole in October, 2009, she was not aware of this contract compliance error. The proper performance of a single audit should have noted many of the problems noted in this agreed-upon procedures report much earlier when more timely and appropriate corrective measures could have been employed.

- c. ¶16. The sub-grantee agreement requires public access to all documents and records related to the DCF grant and require compliance with provisions of Florida Statute, Chapter 199.

During our review of records, we noted insufficient written documentation of significant transactions related to the SHAL Homeless Housing grant in the Board of Directors minutes.

We specifically noted in a review of available Board minutes for all of 2006 and 2007 insufficient documentation related to:

1. Review and discussion of the sub-grantee agreement with SHAL.
2. Total budgeted and actual costs involved in the SHAL project.
3. Board authorization for Ms. Sawyer to sign the sub-grantee agreement.
4. The general contractor agreement with Kinky construction and the lack of actual involvement by Mike Skoglund as the general contractor of record.
5. Review and approval of the sub-contractor agreement with Adrian Poitier, his rate of pay, and his duties and responsibilities.
6. Review of the role of Mitch Major in the project and his rate of pay.

7. A review of why the \$200,000 construction loan from Key West Bank was rejected and how the BCCLT was going to fund \$200,000 of disallowed costs.
  8. Discussion of how Ms. Sawyer with a very small staff was going to track and account for \$200,000 of disallowed costs for the administrative office in the general ledger as required by the sub-grantee agreement.
  9. The purpose and use of \$59,262 in TIF reimbursement related to the development of properties at 307 and 307½ Julia Street since DCF grant funds received as of August 8, 2007 exceeded rehabilitation and construction costs.
  10. A detailed discussion of the use of loan proceeds from the \$275,000 loan from Marine Bank dated October 11, 2007. If an insignificant portion of the loan proceeds were used on the SHAL Homeless Housing Project, what was the justification used by the Board to approve the encumbrance of 303 Julia, 305 Julia and 207 Julia with a mortgage lien and assignment of rents collected as additional loan collateral.
- e. ¶21. Our interpretation of the sub-grantee agreement would require the BCCLT to repay either SHAL, Inc. or the DCF for overpayment of grant funds and the use of grant funds for disallowed use. The performance of agreed upon procedures has noted \$175,300 in disallowed costs related to the construction of the administrative office and possible grant payments in excess of net allowed costs of \$84,391. DCF will ultimately decide the amount of repayment due from BCCLT, if any, based on their own review of this grant which may involve the Office of the Florida Auditor General.

**Review of TIF Payments by the City of Key West**

In conjunction with the completion of procedures 3, 4, 5, and 6, our firm also reviewed the history of tax-increment financing (TIF) payments to the BCCLT from April 20, 2000 to June 20, 2008 for the rehabilitation and repair costs to certain properties in the Bahama Village and Caroline Street corridor. Total TIF payments during this time period totaled \$1,195,526 and are summarized below.

<b><u>Time Period</u></b>	<b><u>Purpose</u></b>	<b><u>Amount</u></b>
4/20/2000 to 6/15/2001	Fund improvements to 227 Virginia (now known as 227 Virginia and 1031 Howe)	105,106
	Fund costs related to 304 Truman Street purchase	1,882
6/5/2003	Use of TIF funds to partially pay for acquisition of 904 Emma Street (City Resolution 03-186).	288,552
10/31/2003	Various rehabilitation costs (City Resolution 03-365)	59,083
5/26/2006	Various rehabilitation costs (City Resolution 06-187)	153,771
6/16/2006	Corrections to amount in Resolution 06-187	5,807
8/17/2007	Property rehabilitation expenses for 307 and 2071/2 Julia Street (City Resolution 07-276)	59,262
4/4/2008	Various rehabilitation costs (City Resolution 08-113)	66,339
6/20/2008	Various unreimbursed costs to improve and build homes at 227 Virginia and 1031 Howe Street from May 30, 2000 to June 15, 2001	102,306
	7 ½ % developer fees related to property development activities. (City Resolution 08-185).	353,418
<b>Total TIF Payments</b>		<b><u>\$ 1,195,526</u></b>

Our review and analysis of TIF payments to the BCCLT from April 20, 2000 to June 20, 2008 revealed three types of errors that cumulatively overstated TIF payments by \$421,550.

<u>Error Type</u>	<u>Description</u>	<u>Amount of Overpayment</u>
A	The June 20, 2008 TIF payment for unreimbursed costs related to 227 Virginia and 1031 Howe was a duplicate of payments made by the City of Key West between 4/20/2000 to 6/15/2001. This error has already been detected by City Attorney Shawn Smith and a liability recorded by the BCCLT.	\$102,306
B	<p>Other TIF payments for various rehabilitation expenses were based on detailed cost analysis schedules prepared over several years by Susan Murphy, owner of Oceanside Accounting and Office Services, Inc. She performed all internal accounting functions and maintained the general ledger until January 1, 2008 when accounting functions of the BCCLT were assumed by internal staff.</p> <p>TIF payments were calculated based on a summary of allowed expenses as compiled by Ms. Murphy, offset by previously made TIF reimbursements and net proceeds from the sale of TIF properties. (Appendix J)</p> <p>A review of these calculations revealed several potential errors that resulted in an additional cumulative overpayment by the City of Key West of approximately \$259,982.</p> <p>See attached analysis.</p>	\$259,982
C	The TIF payment on 8/17/2007 for property rehabilitation expenses for 307 and 307½ Julia Street had already been claimed as an allowed cost on the DCF funded Homeless Housing Grant construction project or the reimbursable expenses were not valid. See attached analysis and Appendix I.	\$59,262

### Detail Analysis of TIF Error Type B

Summary of TIF reimbursable expenditures from July 1, 2001 to 9/30/2007 based on an analysis prepared by Susan Murphy, owner of Oceanside Accounting:

<u>TIF Properties</u>	<u>Allowed Expenditures</u>	
	<u>As Reported</u>	<u>As Corrected</u>
110-116 Geraldine Street	\$122,965	\$122,965
1015 Thomas Street	\$13,995	\$13,995
227 Virginia and 1031 Howe Street	\$210,142	\$54,741 (1)
901 Emma and 204 Olivia Streets	\$15,784	\$15,784
304 Truman Avenue	\$4,478	\$4,478
416 Truman Avenue	\$18,319	\$18,319
222 Olivia Street	\$17,934	\$17,934
904 Emma Street	<u>\$42,984</u>	<u>\$42,984</u>
<b>TIF Acquisition Related Expenditures</b>	<b><u>\$446,601</u></b>	<b><u>\$291,200</u></b>
<b><u>Non-TIF Properties</u></b>		
629 Caroline Street	\$134,261	\$134,261
309 Julia and 308/310 Truman Avenue	\$64,833	\$64,833
307 Julia Street	\$59,375	\$13,875 (2)
914 Emma Street	967	967
209 Petronia Street	400	400
211 Petronia Street	0	0
213 Petronia Street	0	0
222 Petronia Street	400	400
Truman Annex Navy Property	<u>0</u>	<u>0</u>
<b>Non-TIF Acquisition Related Expenditures</b>	<b><u>\$260,236</u></b>	<b><u>\$214,736</u></b>
<b>Total Expenditures</b>	<b><u>\$706,837</u></b>	<b><u>\$505,936</u></b>

### Offsetting Credits and Payments

	<u>As Reported</u>	<u>As Corrected</u>
Less:		
Proceeds from sale of Emma and Olivia Street	(\$169,442)	
Proceeds from sale of 227 Virginia and 1031 Howe Street	(\$38,971)	
Proceeds from sale of 222 Olivia Street	(\$118,951)	
5/23/2003 – City of Key West Payment	(\$153,554)	
10/31/2003 – City of Key West Payment	0	(\$59,083 (3))
5/26/2006 – City of Key West payment	(\$5,807)	
4/4/2008 – City of Key West payment	<u>(\$66,339)</u>	
Total TIF Reimbursement and Property Sales Proceeds	<u>(\$706,835)</u>	<u>(\$765,918)</u>
Overpayment (underpayment) due to the City of Key West	<u>\$2</u>	<u>(\$259,982)</u>

(1) Based on our calculation, TIF reimbursable expenses related to 227 Virginia and 1031 Howe Street are overstated by \$155,401 since improvements were listed as \$186,092 instead of the correct amount of \$30,691.

(2) Roof improvements and the addition of hurricane shutters to 307 Julia (now 303 Julia) performed by Kinky Construction appears to have been funded by a grant from the Key West Housing Authority for approximately 45,000. Therefore, these would not be TIF reimbursable.

(3) TIF reimbursement from City of Key West dated 10/31/2003 was not listed as an offsetting payment.

### **Detail Analysis of TIF Error Type C**

This TIF reimbursement request dated August 17, 2007 has many types of errors that not only affect the correctness of City of Key West TIF payments, but also claimed allowed expenditures for the DCF funded Homeless Housing Construction project which was managed and supervised by SHAL, Inc.

All of this TIF payment should be refunded by the BCCLT either because the requested amounts have already been submitted as SHAL project allowed expense or because the DCF grant was overfunded and the BCCLT had no unreimbursed expenses related to 307 and 307½ Julia Street.

The following is our detailed analysis of this TIF funding request. See Appendix E for detail list of SHAL project expenditures.

<b><u>Vendor</u></b>	<b><u>Amount</u></b>	<b><u>Comments</u></b>
Dan Ace Roofing (A)	\$5,600.00	Balance due on a \$8,300 contract to install new roof on 307 Julia. BCCLT claim \$2,700 is allocated to the SHAL project and \$5,600 due from City TIF funds. No support for allocation is given by BCCLT. The \$5,600 was paid by the City.

A review of all checks written to Dan Ace Roofing during 2007 shows check number 105 dated 8/1/2007 drawn on the Marine Bank for \$5,600 which cleared on 8/8/2007 and check number 9835 drawn on the Key West Bank dated 6/27/2007 which cleared. These checks were claimed as a SHAL project cost.

We also noted that the SHAL project cost report lists check number 175 for \$2,400 dated 10/2/2007 payable to Dan Ace Roofing as the final payment for the 209 Petronia contract. The check history vendor report does not list this check as being issued.

Lighthouse Electric (B) \$7,040.35 Requested reimbursement for check #9832 dated 6/27/2007 which was traced to clearing in bank statement 6/29/07. No support given for allocation of expense between the SHAL project and TIF reimbursable improvements. The \$7,040.35 was paid by the City.

This item was not charged to the SHAL project. BCCLT had no unfunded costs on the SHAL project so request for TIF reimbursement is questionable.

Manley DeBoer (C) \$16,023.09 Request from the BCCLT is for reimbursement of check number 9850 dated 7/10/2007 drawn on the Key West Bank. Check number 9850 was returned by the bank as NSF on July 19, 2007. The \$16,023.09 was paid by the City.

Check number 1005 drawn on the Marine Bank dated 7/23/2007 for \$16,023.09 was issued as a replacement check which cleared on 7/26/2007. Check number 1005 was charged to the SHAL project.

A review of the SHAL project allowed cost report also shows that the NSF check number 9850 for \$16,023.09 was also claimed as a project cost.

The BCCLT was either paid by the City or claimed this invoice as allowed costs for a total of \$48,069.27.

Lighthouse Electric (D) \$12,748.07 Request from BCCLT for reimbursement of check number 9851 written on July 10, 2007 and which cleared the bank on 7/13/2007. No support given for allocation between the SHAL project and TIF reimbursable improvements. The \$12,748.07 was paid to the City.

This check number 9851 for \$12,748.07 was also shown as a SHAL project allowed cost.

S&B Paining (E) \$9,850.00 Request from BCCLT for reimbursement of check number 9854 dated 7/12/07. Check number 9854 does not appear to have been issued and has not cleared the bank. No support was given for allocation between the SHAL project and TIF reimbursable improvements. The \$9,850 was paid by the City. Check number 9854 for \$9,850 was listed as a SHAL project cost.

Nipper's Painting (F) \$8,000.00 Request from BCCLT for balance due on a \$12,000 contract to paint interior and exterior of 307 ½ Julia. No support given for the allocation between the SHAL project and TIF

reimbursable improvements. The \$8,000 was paid by the City.

The first installment payment of \$4,000 on this contract was paid with check number 9848 dated 7/12/2007 which cleared on 7/13/2007. The second installment payment of \$4,000 was paid with check number 143 dated 8/23/2007 which cleared on 8/27/2007. Both check number 9848 and number 143 were charged as SHAL project allowed costs.

The third installment payment of \$4,000 was paid with check number 132 dated 9/20/2007 which was returned as NSF and has not been re-issued. The vendor appears to have been under-paid on his contract but is not making any demand for payment.

Check number 132 for \$4,000 was charged to the SHAL project as an allowed cost. The BCCLT was either paid by the City or claimed these painting contract costs for a total of \$20,000 but only sent \$8,000 to this sub-contractor.

\$59,262

## BCCLT

### Interviews with Wendy Cole, Executive Director of SHAL based on meetings from October 20, 2009 to November 10, 2009

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1. When did you start planning for the SHAL Julia Street Project?

**Answer:** Spring of 2006

- a. What is the funding agency and who is the project manager assigned?

**Answer:** Florida Department of Children and Family Office of Homelessness. State project manager is Trixie Phelan.

2. How was the project dollar budget by location developed?

**Answer:** Developed by BCCLT and given to SHAL

\$712,500 Total received by BCCLT  
\$ 37,500 Administrative fee kept by SHAL  
\$750,000 Total State Grant

3. What was the role of Kinky Construction as general contractor?

**Answer:** Listed in the State Grant application as the General Contractor.

4. What was the role of Mike Skogland as project architect?

- a. Project manager?

**Answer:** He is listed in State Grant application as the Project Manager. Mitch Major and Adrian Poitier are not listed in application.

5. Who developed the cost budget related to the administrative office?

**Answer:** BCCLT with assistance from Mike Skogland.

- a. What were the amounts?

**Answer:** No cost figures for the administrative office were given to me. All estimated project costs came from Ms. Sawyer at BCCLT.

6. How were the disallowed costs related to the administrative office to be funded and tracked separately from the allowed project costs?

**Answer:** Ms. Sawyer said she would keep them separate. A loan from a local bank would be used to fund the costs of the administrative office.

7. Who determined the role of Mitch Major as project manager and Adrian Poitier as project supervisor?

**Answer:** Mike & Mitch faded fast and were not active participants in Project Management. Adrian remained active with the work crews during the whole project. I do not know who was supervising Adrian.

8. Were there written contracts with Mitch and Adrian governing this project that defined duties and rates of pay?

**Answer:** No discussions with me regarding contracts. Ms. Sawyer did it all. No detail comments from Ms. Sawyer on costs to use Mitch or Adrian for work on project.

9. Did you discuss and approve project hourly pay rates for Mitch and Adrian?

**Answer:** No discussion with Ms. Sawyer regarding pay rates.

10. Did you discuss how to deal with the conflicts of interest related to Adrian as the son of Ms. Sawyer and in his role as a Board of Director member?

**Answer:** No discussions.

11. Does the State granting agency require competitive bidding on large contracts?

**Answer:** I do not know but will review contract.

- a. Were competitive bids obtained on this project?

**Answer:** I do not know. Not aware of any discussions during monthly project meetings.

12. Since the administrative office (305 Julia) and the 2 bedroom apartment (307 Julia) were being constructed by Adrian and his crew at the same time, who was aware of the need to segregate time and costs between allowed and disallowed?

**Answer:** She assumes only Ms. Sawyer since it was never discussed with her at the monthly project meetings.

13. Were you aware that the total budgeted cost of this project appears to include the full cost of the admin office?

**Answer:** No.

14. What was your understanding of the administrative office cost?

- a. How was the BCCLT to pay for the administrative office costs?

**Answer:** The costs were to be covered by a loan.

- b. If they were to get a loan did you see proof that the loan was actually obtained?

**Answer:** No knowledge that loan was ever acquired.

15. What was the purpose of the monthly project status meetings?

**Answer:** To review overall status of project and training program for homeless who were hired.

- a. Did you attend all meetings?

**Answer:** Yes. My recall is that I attended all meetings.

- b. Were the detail project costs invoices attached to the summary report reviewed during these status meetings?

**Answer:** No. Detail cost records and invoices were assembled by Ms. Sawyer after monthly status meetings.

16. What was Mike Skogland's role in these meetings?

**Answer:** Her recall is that Mike was not an active participant in the meetings.

- a. What was Ms. Sawyer and Adrian's role in these meetings?

**Answer:** Attend and report on status of workers. Ms. Sawyer was very active and led most discussions.

17. Do you know who assembled the data and prepared the detail monthly reports of project costs for the SHAL construction?

**Answer:** Ms. Sawyer

18. Can you verify the number of monthly status project reports submitted by SHAL and the total submitted project costs?

**Answer:** See attached email dated 11/4/09.

19. Prior to my meeting with you on October 20, 2009, were you aware that the total project costs were under the grant amount by approximately \$45,000 and that a refund was due to SHAL?

**Answer:** No, I was not.

20. Prior to my October 20, 2009, meeting were you aware that disallowed costs for the administrative office were mixed with allowed costs?

**Answer:** No, she was not.

21. Were you aware of the loan with Marine Bank issued in October, 2007, which had a maximum borrowing capacity of \$275,000?

**Answer:** I had no knowledge that this loan related to the project.

a. Were you aware that the loan is collateralized by the 307 Julia Street property?

**Answer:** She questioned whether there is a bank lien on the Julia Street property. Further inquiry needed.

22. Was it necessary for SHAL or the State granting agency to approve the pledging of project property funded by SHAL?

**Answer:** She is not certain but the answer is probably yes.

23. Did you ever meet with Ms. Sawyer or the members of the monthly project status team to review the various contract compliance requirements of the Sub- Grant agreement?

**Answer:** Prior to our meeting on October 20, 2009, there were no meetings on contract compliance with Ms. Sawyer. Ms. Cole has since written to the BCCLT. Board Chair in late October, 2009 requesting a regular audit and compliance audit as required by the HHA contract.

24. Have you ever discussed this project with the BCCLT auditors or responded to audit confirmation letters?

**Answer:** No contact with any auditor for the BCCLT.

25. It appears that the last project status report was issued to you for September, 2007. The accounting records of the BCCLT show additional project costs after October 1, 2007. Have these been reported to SHAL?

**Answer:** Yes. Based on an email on 11/4/09, a December of 2007 expenditures report for \$106,871 was located.

26. What is the project completion date per your records and when did the BCCLT start to admit new homeless clients to the project properties?

<b>Answer:</b>	209 Petronia	Mid 10/2007
	307 Julia	Mid 12/2007
	303 Julia	Mid 12/2007

27. Has BCCLT ever submitted a final report to you?

**Answer:** Yes, the December of 2007 report is marked as final.

## Procedure 6

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Select 20 tenants from rental rolls from inception through September 30, 2009, determine that these tenants met the eligibility requirements as specified in Exhibit B of the Grant agreement. We will vouch documentation in BCCLT records that the occupant met the requirements of an "Income Qualified Tenant" (i.e., less than or equal to 100% of Monroe County Median Income at the time of Occupancy). We will test these same 20 tenants for compliance with the "Affordability requirements as defined in the grant agreement in Exhibit B – section 2.2.3 by review BCCLT tenant compliance records. We will report all findings of this test to you including any findings of non-compliance, if any.

### **Procedures performed and findings:**

Due to the difficulty of locating old tenant files, we examined all current tenant files as of September 30, 2009. The results of our review of these tenant rental files are:

1. There were 30 occupied residential units in 13 structures.
2. Four residential units were listed as vacant for many months due to lack of funds to make repairs. Lost rent is approximately \$1,946 per month.
3. Based on lease agreements in force, maximum monthly rents for occupied units totaled \$14,498 assuming all residents pay on time. Average monthly rent is \$483 per residential unit.
4. Twelve residents (40% of total) had expired leases in tenant files.
5. Twenty-two residents (73% of total) did not have a properly completed or current resident income certification forms on file.

Sixteen residents (53% of total) did not have current income verification information on file.

Thirteen residents (43% of total) did not have current employment verification information on file.

A properly completed Income Certification form together with properly documented income verification and employment verification is required to document income levels for participation in this low-income housing project.

6. The BCCLT had a total recorded liability of \$12,257 for prepaid rent and security deposits from tenants. Of this total, only \$258 was on deposit in local bank accounts leaving unfunded cash liability of \$11,999.
7. Delinquent utility billings from the City of Key West for BCCLT rental units total \$9,122 as of September 30, 2009.
8. The BCCLT also has delinquent utility bills from the Florida Keys Aquaduct Authority and Key Electric.

The termination of utility services to BCCLT tenants due to delinquent payments is a serious problem based on the current lack of cash in the bank accounts of the BCCLT.

## Procedure 7

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Select 5 properties that we sold under the “Affordable Housing Guidelines” as specified in the grant agreement. Obtain Qualified Buyer’s eligibility file from BCCLT and determine whether BCCLT membership and City of Key West approval was obtained pursuant to Exhibit B of the Grant Agreement. Inspect the Qualified Buyer’s eligibility file for documentation of eligibility compliance for “Income Qualified Buyer” provision (i.e. less than or equal to 100% of Monroe County Median Income at the time of conveyance. Also, inspect buyer’s file for evidence of “Affordability” as defined in the grant agreement in Exhibit B – section 2.1.3. Determine if any property sales, other than 309 Julia and 310 Truman rear, subsequently went into foreclosure or default. We will report all findings of this test to you including any findings of non-compliance, if any.

### Procedures performed and findings:

During the history of the BCCLT, seven properties have been sold under the “Affordable Housing Guidelines”. We reviewed 5 buyer eligibility files maintained by the BCCLT and noted compliance with the requirements to document that the qualified buyers income did not exceed 100% of Monroe County median income and that the qualified buyer’s monthly PITI payment did not exceed 30% of monthly adjusted gross household income.

We reviewed all land lease agreements for the same five property sales and noted no exceptions.

We determined that as of October 31, 2009, no sold properties other than 309 Julia and 310 Truman (rear) were in foreclosure.

Property improvement expenditures for 1031 Howe Street and 227 Virginia Street were traced to supporting documentation.

All data related to property sales on the attached schedule were traced to real estate closing statements.

### Findings:

1. Four of the property purchasers subsequently became BCCLT Board of Director members.
2. One property purchaser, Cedric Sunray, was a BCCLT Board of Director member when he purchased 1031 Howe Street on March 31, 2004.
3. For all property sales reviewed, we noted poor documentation regarding compliance with the BCCLT “Home Buyer Selection Policy” in the Board minutes. This policy requires a selection committee appointed by the Board consisting of at least one staff person and two Directors who recommend whether applicants will be placed in a

qualified applicant pool. This selection committee is to then present applicants to the full Board for approval and evaluation. In practice, it appears that all selections of potential property buyers were done by Ms. Sawyer, who submitted the names of preselected property buyers to the Board for approval. We also noted that no "conflict of interest" statements were in the Board written minutes prior to Cedric Sunray's purchase of property of March of 2004.

The failure to document the applicant selection process related to property sales to current or future Board members could be characterized as a preferential transaction that could be treated by the Internal Revenue Service as an "excess benefits transaction" or "private inurement".

4. The acquisition of 309 Julia Street and 310 Truman on February 20, 2002 was funded by the Monroe County Land Authority. The warranty deed transferring these properties to the BCCLT stipulates that the "BCCLT is prohibited from earning a profit on the subject property".

Sales proceeds from 310 Truman were \$74,192 and 309 Julia Street sales proceeds were \$81,505. These proceeds were deposited into the general operating account of the BCCLT.

The BCCLT should contact the Monroe County Land Authority to determine if these funds should be returned or used to offset future property purchases. (See Executive Summary)

5. The BCCLT on October 30, 2002 withdrew \$47,344 in unused construction loan proceeds related to the 1031 Howe Street and 227 Virginia Street properties and deposited this amount in the general operating account. This transfer improperly increased the construction loan balances which had the effect of decreasing net sale proceeds when 1031 Howe Street and 227 Virginia Street properties were sold. Under reported net sales proceeds will adversely impact future City of Key West TIF payments. (See Executive Summary).
6. We noted that all purchasers of property paid \$35 per month to lease the land still owned by the BCCLT. The land lease agreement permits increases in the monthly land lease payment, but no monthly payment adjustments were made from December of 2001 until mid-2009. Land lease rates should be reviewed at least annually by the BCCLT.
7. The Monroe County SHIP Program provided a \$36,000 mortgage to help fund the construction of the 227 Virginia Street property. The SHIP loan could have been assumed by an income eligible buyer.

When a purchase applied to the BCCLT in 2002 to purchase this property, the household income was documented as complying with the BCCLT "Affordable Housing Guidelines". As a result, this \$36,000 SHIP mortgage could have been assumed at closing.

Mr. Castillo, The SHIP Program Administrator, indicated neither the purchaser nor BCCLT, on behalf of the purchaser, had requested the ability to assume the construction loan. Due to a clerical error, the SHIP loan of \$36,000 was not withheld from the net sale proceeds since it was not properly recorded as a property lien. The additional net sales proceeds were deposited in the operating bank account of the BCCLT.

Mr. Castillo, in an interview on October 21, 2009, stated that repeated attempts to collect the \$36,000 SHIP loan have been unsuccessful and the matter has been turned over to the County Attorney's Office.

**BCCLT**  
**Overall Review of Sold Properties**  
**September 30, 2009**

Address	Purchase Date	Purchase Price	Property Improvement	Property Improvement	Funding Source
1031 Howe Street	2000 }			\$294,453	A, C, D, E
227 Virginia Street	2000 }	\$89,000	Land		
901 Emma Street	9/28/2001 }	\$302,667	Bldg.	0	B
204 Olivia Street	9/28/2001 }	\$137,185	Land	0	B
309 Julia Street	2/20/2002	\$181,834	Bldg.	0	A
		\$34,635	Land		
208 Truman (Rear)	2/20/2002	\$68,080	Bldg.	0	A
(Now 310 Truman)		\$35,071	Land		
222 Olivia	3/20/2003	\$79,764	Bldg.	\$16,370	B
		\$177,255	Land		

Buyer Name	Sale Date	Sales Price	Costs of Sales	Gain <Loss> on Sale	Sale Proceeds	Value of Land Lease
Cedric Sunray (5) /Randi Waters	3/31/2004	\$132,724	\$2,161 }		\$9,121 (3)	\$44,500
Jan Pritchett (4) /Amy Harrington	11/14/2002	\$111,900	\$2,050 }	<\$54,040>	\$29,850 (3)	\$44,500
Stephanie Hellstrom	12/20/2001	\$80,081	\$2,944 }		\$77,137 (3)	\$137,185
James Marquardt (4) /Russell Fenwick (4)	12/20/2001	\$96,097	\$3,792 }	<\$133,225>	\$92,305 (3)	
Kristina McLeod	8/16/2002	\$91,233	\$1,054 (1)	<\$89,547>	\$81,505 (2)	\$34,635
Stefan Washington	8/16/2002	\$80,033	\$1,411 (1)	\$10,542	\$74,192 (2)	\$35,071
Paul Ciceri (4)	11/4/2004	\$120,021	\$1,070	\$22,817	\$118,951 (3)	\$177,255

A = Monroe County  
B = City of Key West Revenue Bonds  
C = TIF funds  
D = Commercial Loan  
E = SHIP Loan

1. BCCLT held promissory note for buyer's closing costs paid by the BCCLT. These notes were not recorded as property liens and have not been collected. Both homes are in foreclosure. Promissory notes for \$8,674 from McLeod and \$4,430 from Ms. Washington are not consisted cost of sales.
2. Proceeds from sale of County purchased property should be returned to Monroe County.
3. Net proceeds from property sales funded by the City of Key West Special Revenue Bond Issue or TIF funds are used to offset future TIF reimbursement requests.
4. Became Board of Directors after the purchase of property.
5. Was a Board of Director before the purchase of property.

## Procedure 8

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Read minutes and past annual audited financial statements from inception through September 30, 2009, report any findings that suggest any expenditure of note proceeds for the purchase of land rehabilitation of land by any member of the Board of Directors or any relative or employee of the BCCLT. We will report all acts of non-compliance of this section of the grant agreement (Section 2(c) 3), if any.

### Procedures performed and findings:

- We reviewed audited financial statements from September 30, 2001 to September 30, 2007 and did not note any comments suggesting that the Special Revenue Bond proceeds were used to purchase property owned by a Board of Director, or any relative, or an employee of the BCCLT.
- We reviewed BCCLT minutes from September 25, 2003 (the earliest located) to June 24, 2009 and also noted no purchases of property from prohibited sellers using Special Revenue Bond proceeds.
- \$2,499,347 of Special Revenue Bond proceeds were used to purchase qualified properties and other uses for the BCCLT. All purchase prices were traced without exception to closing statements.

### Finding:

- Based on property purchases and other uses noted below, substantially all the Special Revenue Bond proceeds were used for qualified property purchases.

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**BCCLT**  
**Recap of Special Revenue Bond Distribution**  
**September 30, 2009**

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Property Location	Bond Usage	Purchase Date
1015 Thomas Street	\$382,036.87	9/28/2001
901 Emma Street & 204 Olivia Street	439,851.74	9/28/2001
101-116 Geraldine Street	903,884.83	9/28/2001
416 Truman Street	300,000.00	8/2/2002
222 Olivia Street	257,019.21	3/17/2003
Various rehabilitation costs	153,554	5/23/2003
904 Emma (Balance paid by TIF)	63,000.00	6/15/2003
<b>Total Bond Usage</b>	<b>\$2,499,346.65</b>	

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## Procedure 9

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We will obtain a power of attorney from BCCLT in order to contact the IRS to confirm that the BCCLT is still a 501(c)(3) organization in good standing as of September 30, 2009 and to confirm the proper and timely payment of all payroll and related taxes. The grant agreement section requires that the BCCLT be a tax exempt organization at all times (i.e. Section 2(c) 10). We will also confirm directly with the IRS if they have any significant past due assessments or liens on the BCCLT properties as of September 30, 2009. We will report the results of this test to you in our agreed upon procedures report.

### **Procedures performed and findings:**

- The Internal Revenue Service Power of Attorney form was sent to the Internal Revenue Service who confirmed that all Form 990's through September 30, 2008 have been received which means that the BCCLT is still a 501(c)(3) organization in good standing. We confirmed with Peter Rosasco that his firm prepared the Form 990 for the year ended September 30, 2008 and sent it to the BCCLT for signature and filing.
- Based on the Internal Revenue Service Power of Attorney form, we also confirmed that all payroll tax returns and payroll taxes have been paid through the quarter ended December 31, 2008. (The most current data available)
- The Internal Revenue Service would not confirm the filing status of W-2's or 1099's for prior years based on privilege issues.

## Procedure 10

Review date of issuance of all audited financial statements from inception through September 30, 2009 and determined that all audit report dates of BCCLT financial statements are within 90 days after BCCLT's fiscal year end. We will report any acts of non-compliance with this section of the grant agreement (i.e. Section 8) in our report, if any.

### Results of Procedures and Findings:

The City of Key West \$2,500,000 Grant Agreement with the BCCLT requires that the BCCLT provide the City with a copy of the Organization's audit within 90 days of the BCCLT's year end. The BCCLT has only complied with this grant agreement requirement once in 8 years.

The following table summarizes the results of our procedures:

<i>Fiscal Year End</i>	<i>Date Auditor's Report Issued</i>	<i>Did the BCCLT Have Their Fiscal Audit Completed within 90 days?</i>
September 30, 2001	February 8, 2002	No
September 30, 2002	December 31, 2002	Yes
September 30, 2003	August 30, 2004	No
September 30, 2004	February 2, 2007	No
September 30, 2005	February 2, 2007	No
September 30, 2006	February 15, 2008	No
September 30, 2007	June 30, 2008	No
September 30, 2008	Not Available (2)	No
September 30, 2009	Not Available (1)	N/A - Due 12/31/09

1. Per inquiry of Ms. Sawyer, Executive Director, no auditor has been engaged for the September 30, 2009 year end.
2. Per inquiry of Ms. Sawyer and telephone conference call with Peter Rosasco, CPA Partner with the firm Bishop, Rosasco & Company, the audit is pending receipt of additional information before it can be released. Not issued as of October 31, 2009.

## Procedure 11

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Interview the last accountant (i.e. Noel Puig) who was employed at BCCLT. CRI will ask the following questions:

- Was this person terminated or did they quit?
- Does this person know of any past acts of non-compliance, irregularities, or fraud while they worked at BCCLT?
- Did the Board approve not purchasing wind insurance policies and not purchasing flood insurance policies on all property owned in July through September of 2009?
- Does this person know of any significant related party transactions? Did the BCCLT Board of Directors know about these related party transactions and did they approve these related party transactions before they occur, if any?

Tim Fulmer and Chad Whetstone, partners with Carr, Riggs & Ingram, LLC, CPA's, interviewed Noel Puig, an ex-accountant of the Bahama Conch Community Land Trust of Key West, Inc. (BCCLT), on 10/6/09. The purpose of our interview was to provide answers to questions that were apart of step 11 of our AUP engagement with the City of Key West.

1. Mr. Puig did you quit or were you recently terminated by BCCLT? **Response:** Noel stated that he was dismissed without providing a specific reason.
2. Mr. Puig do you know of any past acts of non-compliance, irregularities, or fraud while you worked at BCCLT? **Response:** Mr. Puig stated that one act of non-compliance that he knew about included the Board deciding in January 2009 to forgo the wind and flood insurance premiums; which is in conflict of the City of Key West \$2.5 million Grant Agreement. Mr. Puig told us that at an executive session at a Board Meeting in January 2009 that management provided the Board with several budgetary savings options which were intended to assist the BCCLT in dealing with the financial crisis that the Organization was experiencing. The option the Board selected and approved included eliminating health insurance, laying off the Deputy Executive Director, eliminating wind and flood insurance premiums for the remainder of fiscal year 2009 and significantly cutting all BCCLT staff salaries.

Mr. Puig provided us with another example of non-compliance. **Response:** Mr. Puig says that on many vendor services including major renovation projects that BCCLT did not obtain bids; in many instances the BCCLT did not obtain construction contracts; and sometimes the BCCLT did not even obtain a proposal to detail the scope and nature of the work to be done. Mr. Whetstone asked Mr. Puig if the Board and Management were aware that some of the programs that they were getting reimbursed for were under federal programs that require competitive bidding, required written contracts, etc. Mr. Puig stated that he did not know whether the Board or Management knew whether that BCCLT was in non-compliance with these federal grants. Mr. Puig did say that the Board bid out the audit services for the 2008 fiscal year through public notice and received several bids. Also, Mr. Puig stated that in several instances he has seen management get several insurance quotes. Mr. Puig was aware that in the beginning of 2009 that the

Board was developing a conflict of interest policy which they never formally approved but discussed on several occasions. The Board did not like the Executive Director approving her own son's construction invoices that were billed to BCCLT. Board had concern over members of management providing construction related services to BCCLT while they were on the payroll of the organization (i.e. Deputy Executive Director Winstead). Mr. Puig says that the Board discussed the appearance of a conflict of interest of Mr. Winstead as Deputy Director being paid a \$25K performance bonus for procuring a significant TIF grant from the City when Mr. Winstead was or had performed rehabilitation work through his Company, called EMTECK, for BCCLT.

Mr. Puig stated that he was aware of only two transactions that he questioned or thought were irregularities. The first transaction that appeared improper to Mr. Puig was a \$3K reimbursement to Mr. Winstead's company, EMTECK, for "equipment". Mr. Puig stated that this \$3K equipment purchase was for a \$15K renovation project (i.e. bill totaled \$18K). This \$3K equipment invoice from EMTECK did not have a description or any back up to support exactly what this equipment was for and why it was needed for this building renovation project. Mr. Puig told us that he asked the Deputy Director of BCCLT and owner of EMTECK what that the \$3K equipment was for. Mr. Winstead said that the \$3K was for computer equipment in the BCCLT building; but Mr. Winstead didn't have an invoice. Mr. Puig stated that he had paid invoices elsewhere that showed BCCLT paid for all of their computer equipment and did not get their equipment from Mr. Winstead's Company. Mr. Puig stated that he told the Executive Director and several members of the Board about this matter. But, nothing was done about it and the one comment he received from a Board member was that the money is already gone and it's not that much money.

The second transaction that Mr. Puig believed was improper was a supply reimbursement from the Deputy Director which lacked any support. The Deputy Director provided a BCCLT debit card receipt which meant that BCCLT had paid for it the first time. Management chose not to pursue the matter further even though it knew that this reimbursement was improper.

3. Did the Board approve not purchasing wind insurance policies and not purchasing flood insurance policies on all property owned in July through September 2009? **Response:** Yes, the Board approved in January 2009 not to renew its wind and flood insurance policies due to budget constraints.
4. Does this person know of any significant related party transactions? **Response:** Yes, see # 2 above. Did the BCCLT Board of Directors know about these related party transactions and did they approve these related party transactions before they occurred, if any? Mr. Puig stated that the Board did not approve any of these related party transactions before they occurred. The \$25K performance bonus to the Deputy Director, who's Company did many rehabilitation contracts for BCCLT, was the one exception that Mr. Puig knew about where the Board knew in advance. But, work that the Executive Director's son, Adrian Poitier, performed on behalf of BCCLT was not approved in advance by the Board. The Board did not know that the BCCLT did not go out for bids on rehabilitation work that Mr. Poitier did on behalf of BCCLT.

## Procedure 12

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Review list of unpaid or delinquent rents as of September 30, 2009 and report these amounts in our report to you along with identifying whether any of the delinquent rents are related parties (i.e. board members, employees, or relatives).

### **Procedures performed and findings:**

Nine current and former residents were delinquent more than two months in rental payments as of September 30, 2009, totaling \$19,305 in unpaid rent. Of this grand total, three SHAL current tenants and one former SHAL tenants owe \$9,092 in delinquent rent. Adrian Poitier, former Board of Director and independent contract for the BCCLT, who lived at 629 Carolina Street, Unit 3, moved out in September of 2009 owing \$1,575 in delinquent rent.

In addition, the tenant administrative files for all delinquent accounts were reviewed. Documentation in the tenant files related to collection of past due rents and documentation policies related to evictions and notices of pending eviction action was very poor.

## Procedure 13

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For 2006, 2007 & 2008, obtain a QuickBooks General File. Do a search of all disbursements made to known related parties (i.e. Board Members, Employees, Officers, and known relatives). We will obtain all of the company's W-2 and 1099 forms, and search for related party transactions. CRI will summarize and report all these related party transactions in our report.

### Procedures performed and findings:

Procedures: We searched by Board member in the check registers of the BCCLT for related party transactions as noted below.

<b>Name</b>	<b>Transactions Noted</b>	<b>Through 9/30/07</b>	<b>10/1/07 to 9/30/09</b>	<b>Total</b>
Bain, Cecil	No	N/A	N/A	-
Ciceri, Paul	Yes	1,283.72	N/A	1,283.72
Estes, Bill	No	N/A	N/A	-
Fain, Jerome	No	N/A	N/A	-
Fenwick, Russell	Yes	85.65	34.38	120.03
Halioua, Claude	No	N/A	N/A	-
Kelly, Robert E JR	Yes	N/A	415.70	415.70
Laurendeau, Norman	No	N/A	N/A	-
Leamard, Warren	No	N/A	N/A	-
Leconte, Phyllis	Yes	10,270.35	80.00	10,350.35
Lopez, Glenwood	No	N/A	N/A	-
Lybrand, David	No	N/A	N/A	-
Marquardt, James	Yes	622.71	N/A	622.71
Martin, Leroy	No	N/A	N/A	-
Miller, Brenda	Yes	4,353.02	N/A	4,353.02
Poitier, Adrian	Yes	375,466.07	59,652.18	435,118.25
Sawyer, Norma Jean	Yes	44,397.80	10,386.85	54,784.65
Skoglund, Mike	Yes	104,681.00	34,291.00	138,972.00
Sullivan, Kenny	No	N/A	N/A	-
Teate, Shonja C	No	N/A	N/A	-
White, Fredericka	No	N/A	N/A	-
Williams, Jethon II	Yes	8,503.10	3,240.00	11,743.10
<b>Total</b>		<b><u>\$549,663.42</u></b>	<b><u>\$108,100.11</u></b>	<b><u>\$657,763.53</u></b>

## Procedure 14

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Inspect two promissory notes (i.e. McLeod - \$8.7K & Washington - \$4.4K) held in favor of BCCLT. Vouch City of Key West's approval for BCCLT's holding of receivable amounts and retaining a first or second mortgage on these properties. Trace mortgage amounts owed to BCCLT on these two properties to their respective closing statements.

### **Procedures performed and findings:**

- The BCCLT paid \$8,674 in buyer's closing costs when Kristina McLeod purchased 309 Julia Street on August 16, 2002 and took back a non-interest bearing due on sale promissory note. The note was not recorded as a lien on the property. The amount of the note was traced to the closing statement. This home is currently in foreclosure and the collection of this note is doubtful based on inquiry of Ms. Sawyer, Executive Director. This note receivable is still recorded as an asset of the BCCLT at full value.
- The BCCLT paid \$4,430 in buyer's closing costs when Stefan Washington purchased 310 Truman Street on August 16, 2002 and took back a non-interest bearing due on sale promissory note. The note was not recorded as a lien on the property. The amount of the note was traced to the closing statement. This home is currently in foreclosure and the collection of this note is doubtful based on inquiry of Ms. Sawyer, Executive Director. This note receivable is still recorded as an asset of the BCCLT at full value.

## Procedure 15

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Interview four Board Members (i.e. either current or past Board Members from 2006 – 2009) and ask the following:

1. Did the Board approve a resolution forgoing obtaining any insurance on the BCCLT real properties as of July 2009?
2. Does the Board obtain regular copies of minutes of their meetings?
3. Does the Board obtain regular interim financial statements on the organization?
4. Is the Board aware of any significant related party transaction?
5. Did the Board approve paying \$292,394 to Adrian Poitier, son of the Executive Director, in 2007 for contract labor and various supplies? Which projects did Adrian do work on and was he appropriately licensed at that time?
6. How did the Board identify and resolve any conflicts of interest?
7. Is the Board aware of any allegations of irregularities, errors or fraud involving the books and any records of the Organization?

### Procedures performed and findings:

We interviewed Bob Kelly, Cecil Bain, Claude Halioua and Mike Skoglund. Attached are the questions and responses to these interviews.

#### Bob Kelly

1. Bob based on a review of minutes it appears that you have been a Board member since September 8, 2005 and served for several years as President. Is this correct? **Response:** Yes, that is correct.
2. Did the Board approve a resolution forgoing obtaining any insurance on the BCCLT real properties as of July 2009? **Response:** Did not recall this discussion.
3. Does the Board obtain regular copies of minutes of their meetings? **Response:** Irregular.
4. Does the Board obtain regular interim financial statements on the organization? **Response:** Yes, on a regular basis.
5. Is the Board aware of any significant related party transaction? **Response:** Knew that Mitch Major and Adrian Poitier were known workers for BCCLT and could be called on short notice to do repairs on properties.

Remembers extensive Board of Director discussions regarding payment of salary advance to Ms. Sawyer and payment of performance bonus to Wheeler Winstead after receipt of \$455,724 TIF payment from City in June, 2008.

6. Did the Board approve paying \$292,394 to Adrian Poitier, son of the Executive Director, in 2007 for contract labor and various supplies? Which projects did Adrian do work on and was he appropriately licensed at that time? **Response:** I recall a verbal discussion at Board of Director meetings concerning Adrian's role in the SHAL project, but not detail discussions of wage rates or a contact to detail duties and responsibilities. Do not recall any discussion regarding his license status.
7. How did the Board identify and resolve any conflicts of interest? **Response:** After the hiring of Wheeler Winstead in September, 2007, the practice of Adrian paying wages in cash was reviewed and stopped. There was also a discussion of Adrian's internal role as the preferred contractor for all BCCLT projects. Board of Director decision was to stop using Adrian in late 2008 or early 2009.

I do not recall any discussion at a Board of Director meeting regarding requirement for competitive bids when using Adrian or other sub-contractors on BCCLT projects.

8. Is the Board aware of any allegations of irregularities, errors or fraud involving the books and any records of the Organization? **Response:** I remember a discussion concerning allegation from John K. Smith of kick backs on BCCLT renovation projects. We determined it was not credible.

**Cecil Bain:**

I asked Cecil Bain the following questions and have provided his responses. He became a Board of Director member in October, 2007 and is currently Board President.

1. Did the Board approve a resolution forgoing obtaining any insurance on the BCCLT real properties as of July 2009? **Response:** Remembers the Board of Director telling Ms. Sawyer to keep insurance policies in force.
2. Does the Board obtain regular copies of minutes of their meetings? **Response:** Irregular. Many meetings minutes were missed. Board of Director Secretary would assure members that missed minutes would be prepared but would never complete the task.
3. Does the Board obtain regular interim financial statements on the organization? **Response:** Not happening initially, but it got better in 2009. Did not get financial information in advance of Board meetings.
4. Is the Board aware of any significant related party transaction? **Response:** Remembers in 2008 & 2009 telling Ms. Sawyer that could only use Adrian if competitive bids were done.
5. Did the Board approve paying \$292,394 to Adrian Poitier, son of the Executive Director, in 2007 for contract labor and various supplies? Which projects did Adrian do work on and was he appropriately licensed at that time? **Response:** Was not a Board member at that time.

6. How did the Board identify and resolve any conflicts of interest? **Response:** Discussed conflict between Adrian and Ms. Sawyer. He wanted Wheeler Winstead to supervise Adrian Poitier.
7. Is the Board aware of any allegations of irregularities, errors or fraud involving the books and any records of the Organization? **Response:** Does not remember all allegations of irregularities, errors, or fraud.

**Claude Halioua:**

1. Did the Board approve a resolution forgoing obtaining any insurance on the BCCLT? **Response:** Claude stated that the Board knew BCCLT was running out of money. But, management made the day to day decisions as to what got paid with limited resources that were available to BCCLT.
2. Does the BCCLT Board obtain regular copies of the minutes of their meetings? **Response:** In 2008 & part of 2009 Board was provided copies of written minutes. However, later part of 2009, Board meetings were taped and not transcribed into written minutes for the Board.
3. Does the Board obtain regular interim financial statements on the organization? **Response:** Up through 2008 and early 2009. However, the Board doesn't have recent financial information due to financial situation.
4. Is the Board aware of any significant related party transactions? **Response:** Claude told me that he was aware of past related party transactions with Adrian Poitier. But, this is before his time on the Board. Claude told me that he has only been on the Board 10 months.
5. Did the Board approve paying the \$292,394 to Adrian Poitier, son of the Executive Director in 2007? **Response:** Claude says he has heard this but has no direct firsthand knowledge of this situation since it was before he was on the Board. Claude stated that he has only been on the Board for 10 months.
6. How did the Board identify and resolve any conflicts of interest? **Response:** Claude stated that this BCCLT Board is comprised of individuals of high integrity. He stated that any matters that were potential conflicts of interest were discussed in Board Meetings. Any situations that may raise concerns were resolved at the Board level.
7. Is the Board aware of any allegations of irregularities, errors or fraud involving the books and records of the BCCLT? **Response:** Claudio said that he was not aware of any allegations of irregularities, errors or fraud at BCCLT that were not resolved. Claude stated that the 10 months he has been on the Board, he has not seen any fraud or irregularities. He said that BCCLT is a great organization performing a noble cause to help others less fortunate.

**Mike Skoglund interview conducted on November 10, 2009**

*Since Mike Skoglund left the Board of Directors in September 2007 and was involved in the SHAL Homeless Construction project, we changed his interview questions.*

1. When did you serve as a Board of Director Member for the BCCLT? **Response:** Seven years ending September 15, 2007.
2. During your time on the Board of Directors, do you remember discussing and approving the following people who wanted to purchase land trust homes? Do you recall if more than one person was presented to the Board of Directors for approval as a purchaser? **Response:** I remember voting on all sales and determining owner if more than one person wanted the house.

Cedric Sunray/Water	1031 Howe Street	3/31/2004
Pritchett/Harrington	227 Virginia Street	11/14/2002
Hellstrom	901 Emma Street	12/20/2001
Marquardt/Fenwick	204 Olivia Street	12/20/2001
Kristina McLeod	309 Julia Street	8/16/2002
Stefan Washington	310 Truman Street	8/16/2002
Paul Ciceri	222 Olivia Street	11/14/2004

3. During your time as a Board of Director Member, do you remember receiving interim financial statements and copies of the prior month's meeting minutes? **Response:** Yes, on a regular basis.
4. On 8/11/2003, do you remember a \$43,000 contract to install storm shutters, strength and repair to the roof of 307 Julia (now 303 Julia)? **Response:** Yes, I remember this contract now that I see it. (Copy of contract was presented during interview)

Do you remember how you were paid? Was it from the BCCLT or did you receive a check directly from the State grant? **Response:** I will check my records as to how my company was paid.

5. What was your company's role in planning for the SHAL Homeless Housing project in the spring and summer of 2006? Did you prepare the initial cost estimate for each phase of the project? **Response:** Yes, I prepared all cost estimates for the SHAL project.

209 Petronia	(2 bedroom)	\$184,000
307 Julia (now 303)	(6 bedroom)	\$276,000
307½ Julia (now 307 & 305)	(2 bedroom)	<u>\$290,000</u>
		\$750,000

6. In the grant application to the State for this homeless housing project, what was the role of your company, Kinky Construction, and you personally? **Response:** Lists me as General Contractor and Architect of record.

Do you know if Adrian Poitier or Mitch Major had any stated role in the grant application? **Response:** I do not believe that Mitch or Adrian were noted in the grant application.

7. Based on the state grant application, what did you understand your role to be? **Response:** I was the general contractor qualifier for permits and would answer project construction questions.
8. The final amount of the grant was \$712,500 not \$745,000. Did you or Ms. Sawyer revise the cost estimates from \$745,000 down to \$712,500? **Response:** My recall is Ms. Sawyer. Most of cost change relates to reclassification of permit costs which appear to have been done by Ms. Sawyer, Executive Director of BCCLT.
9. After the homeless grant was approved and awarded, what was your understanding of Adrian's and Mitch Major's role? **Response:** I would supervise Adrian and Mitch for no fee. Adrian and Mitch were in charge of daily activities.
10. Were there written contracts between the BCCLT and either Mitch or Adrian describing duties and rates of pay? **Response:** I did not know of any contracts.
11. As a Board of Director member, do you recall discussing and approving this Homeless Grant project? Do you recall discussing and approving the roles of Adrian and Mitch in the project and their rates of pay? **Response:** I remember general discussion but not pay rates.

Do you recall the Board of Directors discussing your company's role and Adrian's role which could be perceived as a conflict of interest? **Response:** Did not recall any discussion. Board of Directors were aware that I was working for no fee.

12. Did the Board of Directors discuss and approve your 4/30/2007 contract for work at 307½ Julia Street? I do not recall a discussion, but Ms. Sawyer signed the contract as owner.
- a. What were your duties, reasonability's and payment arrangements? **Response:** General over-sight. No fees paid.
  - b. Did your contract extend to 209 Petronia or 307 Julia (now 303)? **Response:** Yes.
13. It appears that the demolition of the old 307½ Julia building started in mid-January of 2007.
- a. Who was performing this work? **Response:** Adrian and his crew.
  - b. Who was supervising workers? **Response:** Mitch Majors and I were supervisors.

- c. Who was obtaining building permits? **Response:** I pulled permits as a licensed general contractor.
  - d. Who was reviewing and approving invoices, timesheets and ordering material for this project? **Response:** Adrian and Ms. Sawyer.
  - e. Who was hiring other sub-contractors and obtaining bids for work? **Response:** Adrian and Ms. Sawyer with some input from me.
14. Were you, as the project manager, aware of any unusual terms and conditions in the State grant contract? **Response:** No, I never reviewed in detail the contract with SHAL for this project.
15. Were you aware that the costs related to the administrative office construction were disallowed costs that had to be tracked separately and not paid with any of the awarded state grant monies? **Response:** I was not aware.
16. When you prepare the \$290,000 cost estimate for 307½ Julia, was that the combined cost for the 2 bedroom apartment (now 307 Julia) and the administrative office (now 305 Julia)? **Response:** Yes, costs were combined.
17. As a Board of Director member, do you remember discussions related to obtaining a loan to pay for the costs of the administrative building? **Response:** Yes, remembers discussion.
- a. Do you remember if the loan was ever obtained? **Response:** I do not remember if this loan was ever obtained.
  - b. If the loan was rejected, how was the BCCLT going to pay for the costs of the administrative office? **Response:** I do not recall any additional discussion by Board of Directors.
18. What was your role at the monthly SHAL project status report meeting? **Response:** I assisted with project walk-throughs and completion date discussions with other members attending the meeting.
19. Who was responsible for assembling all of the job cost invoices, payment of bills, approving Adrian's time sheets, and sending copies of all bills to Wendy Cole at SHAL? **Response:** I had no involvement with money. Ms. Sawyer paid and approved all bills.
20. From the start of this project in December of 2006 through its completion in November of 2007, was your involvement consistent or did it change? **Response:** My role stayed the same.
21. As the project progressed, who was supervising Adrian's work crews and assisting with periodic visits from the City building inspector? **Response:** I would handle any inspection issues. My over-sight of Adrian's work crews was limited.

22. Are you aware how Adrian was paying the workers on the project on a weekly basis, cash or by check?

**Response:** I now know Adrian was paying his workers in cash, but I was not aware of his practice during the project.

Is it normal to pay workers in cash in Key West? **Response:** No, I pay all my workers by check.

23. Were you involved in selecting and negotiating the price paid to various sub-contractors?

**Response:** I was not involved in the selection of any sub-contractors listed below.

Dry wall  
Painting  
Floor Covering  
Roofers

24. Are you aware that Adrian's rate of pay per hour increased during this project?

a. Were you involved in discussing and approving the pay increases? **Response:** I do not remember any involvement in setting pay rates for Adrian.

b. As a Board of Directors member, do you remember discussing and approving pay increases to Adrian? **Response:** I do not remember any discussion.

25. During 2007 when Adrian was heavily involved in the construction project, what would be your estimate of the number of hours per week he worked and charged the job? **Response:** I have no way to estimate hours worked. I do remember Adrian and crew working long hours.

26. Was it your impression that Ms. Sawyer was heavily involved in the financial aspects of this project? **Response:** Yes

27. At the monthly project status meetings, did anyone review project costs incurred and whether the project was in line with the project cost budget? **Response:** I recall very few cost discussions.

28. What was the involvement of Wendy Cole, Executive Director, SHAL, Inc. in monthly project status meetings? **Response:** She was actively involved in making sure construction project was properly built and would be finalized on time. Not concerned about money.

29. Were there any significant problems in this project as detected by the City building inspector that caused unexpected costs? **Response:** No problems.

## Other Information

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Based on information provided by George Hurd, volunteer bookkeeper for the BCCLT, we noted that the State of Florida had sent to the BCCLT grant payments related to a Weatherization program for Monroe County totaled \$52,881 as of October 31, 2009, but expenditures totaled only \$15,552. The unexpended grant funds were deposited in a common cash account and had been spent by October 31, 2009 for other non-grant related operating expenditures. Subsequent to October 31, 2009, we were informed that the BCCLT had been terminated from this grant by the State of Florida.

A refund of \$37,330 is recorded on the Executive Summary.

# Appendix A

10:28 AM

10/22/09

# Bahama Conch Community Land Trust Vendor Balance Summary All Transactions

	Nov 1, 09
At&T	405.12
AT&T - Mobility	143.21
BCCLT - Administrative Account	395.36
BCCLT - Escrow Account - FSB	5,841.52
Bender and Associates	62,400.00
Bishop, Rosasco & Co.	16,389.01
Canon	771.49
City of Key West- Code Compliance Div.	50.00
City of Key West- Sewage	10,026.65
Clerk of Court	780.00
Comcast	196.95
Conquering Lion Construction	1,147.72
D.L. Porter Constructors, Inc.	1,182.38
Danise D. Henriquez, CFC	520.00
Division of Hotels & Restaurants	295.00
EE&G	3,900.00
Erasmus Baez	90.00
Fidelity Insurance	6,834.00
Flat Iron Capital	3,205.92
Florida Keys Aqueduct Authority	404.48
Guarantee Insurance Company	879.26
Joseph M Albury, PA	18,760.00
Key West Chemical	105.02
Keys Energy	13.94
Lofton B. Sands	2,679.39
Manley De Boer Lumber Company	107.93
Mitch Major	824.00
Mobile Mini	3,182.20
Monroe County Sherriff's Office	160.00
Mountain Glacier LLC	42.23
Noel R. Puig II - Vendor	672.75
Norma Jean Sawyer - Vendor	10.97
Oceanview Owners, Inc.	2,100.00
Pitney Bowes - Purchase Power	236.53
Roberts Plumbing Contractors	-90.00
Sands of the Keys, Inc.	434.86
The Suarez Law Office	2,015.35
<b>TOTAL</b>	<b><u>147,113.24</u></b>

# **Appendix B**



**Bishop, Rosasco & Co.**  
Certified Public Accountants

**Dennis M. Bishop, CPA    Peter L. Rosasco, CPA**  
**JoAnn B. Inghram, CPA**

Rita A. Couch, CPA  
Michael Val Hietter, CPA

Daniel E. Deighton, CPA  
Donna M. Hoffman, CPA

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February 21, 2007

Bahama Conch Community Land Trust of Key West, Inc.  
325 Julia Street  
Key West, FL 33040

In planning and performing our audit of the financial statements of Bahama Conch Community Land Trust of Key West, Inc. (BCCLT) for the years ended September 30, 2005 and 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect BCCLT's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses as defined above. However, we noted the following reportable conditions that we believe to be material weaknesses:

Held Checks

While testing cash and disbursements, we noticed that certain checks were written out of numerical order (certain blocks of check numbers appeared to have been skipped and then used later). Numerical control of check documents is important and should be maintained. However, it was determined that such inconsistencies were due to the practice of holding and re-dating certain checks due to lack of funds in the operating bank account. Checks should be released as soon as signed or else voided and rewritten when payment is decided to be actually made.

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25000 Overseas Hwy  
P.O. Box 42-1075  
Summerland Key, FL 33042  
(305)745-4077  
(305)745-4078 Fax

8085 Overseas Hwy  
Marathon, FL 33050  
(305)743-6586  
(305)743-0726 Fax

81888 Overseas Hwy  
P.O. Box 1502  
Islamorada, FL 33036  
(305)664-4072  
(305)664-4071 Fax

Rental Income and Deposits

BCCLT does not have an established policy setting forth procedures for record keeping for rental income and deposits on its properties, other than the keeping of a receipt book showing rental payments collected. Proper internal control procedures require that receipts be recorded in an appropriate journal and reconciled with the deposits, with a separate journal maintained for each property.

Repair and Maintenance Expenses

Repair and maintenance expenses were not segregated between routine, non-capitalizable maintenance expenses and potentially capitalizable repairs which enhance BCCLT's fixed assets or extend the useful life of the properties. This was because of BCCLT's grant reporting, which requires showing all rehabilitation and repair expenditures. Consequently, it is difficult to determine if fixed asset balances represent all capitalizable costs for proper reporting in the financial statements. BCCLT has now established an expense account for rehabilitation work believed to be capitalizable which can be examined and adjusted during the audit to the appropriate fixed asset accounts, allowing both proper grant reporting and financial statement presentation.

Adjusting Journal Entries

Most adjusting journal entries from the prior year's audit were either not made or made incorrectly. This was not noticed until the start of the current audit because the final general ledger balances were not reconciled to the audited financial statements. A reconciliation of the BCCLT's accounting records to the audited financial statements should be performed at the conclusion of every annual audit (as was performed at the close of the current audit).

We also noted the following reportable conditions that are not believed to be material weaknesses:

Security Deposits Bank Account

Related to the second material weakness noted above, the security deposits bank account balance is not reconciled to the security deposits liability account. In addition, this "escrow" account does not always receive the deposits from tenants nor are the checks for tenant refunds always written from this account (the operating bank account is used for some of the deposit receipt and refund activity). Furthermore, the security deposit bank account funds the operating account from time to time to cover cash shortages. The security deposits bank account should be used exclusively and for all the transactions related to tenant deposits, or else this bank account should be eliminated.

Notes Payable

The Sands Estate and two Oceanview Owners notes payable are several months behind in their scheduled payments. In addition, such notes are not properly reconciled to any kind of payment schedule. This has led to the situation where both the creditors and the BCCLT are unsure of exactly how much is owed at any particular time until the annual audit is performed. Each note payable should be reconciled by the client to some type of amortization schedule (even if not a compound-interest schedule) so that the payment progress can be determined at any point in time and shown to the creditor if a dispute arises regarding the balance on the loan.

Payroll Taxes

As of the fiscal year ending September 30, 2005, BCCLT was several months behind in their filings of payroll tax returns and their deposits of payroll taxes withheld and accrued. This led to the imposition and payment of significant penalties when finally settled during 2006. In addition, BCCLT's payroll system was accruing (but the Organization was properly not paying) certain payroll taxes from which BCCLT is exempt under the law. Payroll taxes should be paid when due, and the payroll system should be adjusted to accrue only those taxes that are applicable to the Organization.

Grant Compliance

There are certain provisions of the TIF grant with which, technically, BCCLT is not in compliance. The first is the requirement to deliver an annual audit 90 days after the close of the fiscal year. However, this time goal appears to be unreasonable, and as long as an audit is being performed, compliance with this provision has not been enforced. Also, BCCLT is prohibited from making a "profit" on property sales; however, when certain properties were sold for a price which includes an amount for appreciation allowable under the grant agreement, a gain has been generated. Nonetheless, these gains do not represent distributable profits from the sale and BCCLT records such gain as temporarily restricted funds.

SHIP Loan

BCCLT has misunderstood certain provisions of the SHIP loans made for the Virginia Street and Howe Street properties. These loans were believed to be assumed by the purchasers of the properties; however, one such loan was paid at closing and the other was not involved in the closing transaction. BCCLT removed both loans from their books, although the Virginia note was still payable by BCCLT. When this situation was explained during the course of the audit, Organization management believed the note was still payable under the former terms (nothing until maturity in thirty years). However, when the note balance was confirmed with the Monroe County Housing Authority, the SHIP Coordinator stated that the note was either to be assumed by a qualified purchaser or due and payable immediately upon sale of the property. The Virginia note is shown in the maturities schedule in the notes to the financial statements as due and payable currently from the end of fiscal year 2004 onward, although the note is still outstanding. BCCLT needs to resolve this situation with MCHA immediately.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Bishop, Rosasco & Co.



**Bishop, Rosasco & Co.**  
Certified Public Accountants

**Dennis M. Bishop, CPA    Peter L. Rosasco, CPA**  
**JoAnn B. Inghram, CPA**

Rita A. Couch, CPA  
Donna M. Hoffman, CPA

Daniel E. Deighton, CPA  
Lauri G. Harrison, CPA

---

February 20, 2008

Board of Directors  
Bahama Conch Community Land Trust of Key West, Inc.  
325 Julia Street  
Key West, FL 33040

In planning and performing our audit of the financial statements of Bahama Conch Community Land Trust of Key West, Inc. ("BCCLT") as of and for the year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered BCCLT's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

Rental Income and Deposits

BCCLT does not have an established policy setting forth procedures for record keeping for rental income and deposits on its properties, other than the keeping of a receipt book showing rental payments collected. We recommend that receipts be recorded in an appropriate journal and reconciled with the deposits, with a separate journal maintained for each property.

---

25000 Overseas Hwy  
P.O. Box 42-1075  
Summerland Key, FL 33042  
(305)745-4077  
(305)745-4078 Fax

8085 Overseas Hwy  
Marathon, FL 33050  
(305)743-6586  
(305)743-0726 Fax

81888 Overseas Hwy  
P.O. Box 1502  
Islamorada, FL 33036  
(305)664-4072  
(305)664-4071 Fax

Accounts Receivable Reconciliation

The tenant accounts receivable GL balance was not reconciled to a detail of tenant AR balances. As noted above, BCCLT is lacking proper record keeping procedures for rental income and receipts. As such, there is no proper record keeping system for tenant accounts receivable. We recommend that BCCLT track rental charges and payments for each tenant and property. We noted that BCCLT is implementing a new rent tracking system for fiscal year 2007.

Security Deposits

The security deposit bank account balance is not reconciled to the security deposit liability account. In addition, this "escrow" account does not always receive the deposits from tenants nor are the checks for tenant refunds always written from this account (the operating bank account is used for some of the deposit receipt and refund activity). Furthermore, the security deposit bank account funds the operating account from time to time to cover cash shortages. The security deposits bank account should be used exclusively and for all the transactions related to tenant deposits. We recommend that this bank account be reconciled to the security deposit liability account and that it only be used for tenant security deposits. We also recommend that security deposit activity be tracked by tenant.

Notes Payable

The Sands Estate note payable is several months behind in scheduled payments. This note is not properly reconciled to any kind of payment schedule. We also noted that no interest was accrued during the year on this note. Each note payable should be reconciled by the client to an amortization schedule (even if not a compound-interest schedule) so that the payment progress can be determined at any point in time and shown to the creditor if a dispute arises regarding the balance on the loan. Also, interest should be accrued each year, even if no payments are being made on the loan.

Depreciation

BCCLT relies on the independent auditor to calculate depreciation expense (and accumulated depreciation). We recommend that the organization purchase a fixed asset software program, or manually track all fixed assets and calculate and book depreciation expense in Quickbooks. The independent auditor should not be relied upon to calculate depreciation expense, as we are not able to audit our own work. This could impair independence and therefore prohibit us from issuing audited financial statements for the Organization.

SHIP Loan

In the prior year, BCCLT misunderstood certain provisions of the SHIP loans made for the Virginia Street and Howe Street properties. These loans were believed to be assumed by the purchasers of the properties; however, one such loan was paid at closing and the other was not involved in the closing transaction. BCCLT removed both loans from their books in the prior year, although the Virginia note was still payable by BCCLT. When this situation was explained during the course of the prior year audit, Organization management believed the note was still payable under the former terms (nothing until maturity in thirty years). However, when the note balance was confirmed with the Monroe County Housing Authority, the SHIP Coordinator stated that the note was either to be assumed by a qualified purchaser or due and payable immediately upon sale of the property. The Virginia note is shown in the maturities schedule in the notes to

the financial statements as due and payable currently from the end of fiscal year 2004 onward, although the note is still outstanding. As stated in the prior year management letter, BCCLT needs to resolve this situation with MCHA immediately.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

During our audit we also noted certain matters involving the internal control over financial reporting and its operation and other operational matters that are presented for your consideration. We do not consider these items to be material weaknesses or significant deficiencies.

#### Held Checks

While testing cash and disbursements, we noticed that certain checks were written out of numerical order. We also noted, while vouching cash receipts, that several checks were dated differently in Quickbooks than they were when they cleared the bank. It was determined that such inconsistencies were due to the practice of holding and re-dating certain checks due to lack of funds in the operating bank account. Checks should be released as soon as signed or else voided and rewritten when payment is decided to be actually made. Numerical control of check documents is important and should be maintained.

#### Grant Compliance

There are certain provisions of the TIF grant with which BCCLT is not in compliance. The first is the requirement to deliver an annual audit 90 days after the close of the fiscal year. However, this time goal appears to be unreasonable, and as long as an audit is being performed, compliance with this provision has not been enforced.

#### Bank Reconciliations

While testing cash, we noted that the September 30, 2006 Key West Bank account reconciliation was not completed accurately. Bank reconciliations are an important internal control and should be completed timely and reviewed by the appropriate level of management.

#### Missing Invoice Copies

While performing audit procedures, we noted that there were invoice copies that could not be located. It is important to keep supporting documentation for a proper audit trail. We recommended that BCCLT create files for each vendor and keep all invoices and supporting documentation.

#### Grant Income

We noted that the Community Foundation Grant income was not recorded properly. The grant was recorded as an expense, as it was "passed through" to tenants. Grant funding must be recorded as grant income, regardless of the purpose it is used for. We recommend that the recording of all major grant receipts be reviewed and approved by management. Also, BBCLT should consult with their accountant with questions on recording material items if needed.

**Bishop, Rosasco & Co.**  
Certified Public Accountants

Page 4

Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Bishop Rosasco & Co.*

Bishop, Rosasco & Co.

To the Board of Directors:

Bahama Conch Community Land Trust of Key West, Inc  
325 Julia Street  
Key West, Fl 33040

9/30/2007  
audit

During our audit of Bahama Conch Community Land Trust of Key West, Inc we noted the following items which need to be brought to your attention.

- 1) The lack of adequate staffing resulted in internal control weaknesses. The subsequent additions to staff are a definite improvement.
  - a. We strongly recommend that that formal written policies and procedures for the organization be developed and implemented this fiscal year.
  - b. We also recommend that formal job descriptions be developed for each member of the organization.
- 2) The control of the accounting records and data entry was less than adequate. We noted several instances in which cash reconciliations were incorrect, entries were not made, and errors were not detected in a timely manner.
  - a. We acknowledge that the hiring on a trained accountant as a full-time employee is a major step in correcting these items. Having the subsequent additions to staff should prove very valuable in regards to these items.
- 3) The control over revenue, accounts receivable, tenant deposits, etc. needed improvement. We have worked with staff to produce an excel spreadsheet which tracks these items on a monthly and per property basis.
  - a. We recommend that this excel spreadsheet be maintained in a timely manner by staff and reviewed by management monthly.
- 4) The control over fixed asset information needs improvement.
  - a. We recommend that staff produce and maintain a computerized list of all fixed assets and the related depreciation for each item.
- 5) The lack of adequate insurance is a concern.
  - a. Per our subsequent conversations with staff, insurance will be provided when funding is available.

Regards,



Charles Weitzel CPA

# Appendix C

KINKY CONSTRUCTION CO.

ARCHITECTURE  
CONSTRUCTION  
RENOVATION

(305) 296-2632  
KEY WEST, FLA.  
MIKE SKOGLUND

G-25-6

THE COST OF RENOVATING THE RES-  
IDENCE AT 209 PETRONIA ST KEY  
WEST, FLA, INCLUDING PERMITS AND DON-  
ATED ARCHITECTURAL SERVICES IS  
\$184,000- INCLUDING CONTINGENCY.

M. SKOGLUND  
*M. Skoglund*  
ARCHITECT  
CONTRACTOR

KINKY CONSTRUCTION CO. - 1-A-G

ARCHITECTURE  
CONSTRUCTION  
RENOVATION

(305) 246-2632  
KEY WEST, FLA.  
MIKE SKOGLUND

1) INSTALL NEW KITCHEN CABINETS (2 SETS) *	5,360
2) INSTALL NEW BATH CABINETS (2 SETS)	2,400
3) SHEETROCK ALL WALLS AND CEILING	20,160
4) INSTALL 19 NEW DOORS W/ HARDWARE	16,410
5) INSTALL NEW 1X6 WOOD BASE, DOOR & WINDOW JAMBS AND CASINGS	6,840
6) INSTALL 19 NEW WOOD WINDOWS	5
7) PAINT INTERIOR (3 COATS) EXTERIOR	22,140
8) INSTALL NEW SUBFLOOR 3/4" PLYWOOD	2,800
9) INSTALL NEW VINYL TILE 1580 SQ. FT.	8,550
10) INSTALL CERAMIC TILE FLOOR IN KITCHEN AND BATH FLOOR AND TUB SURROUND	5,500
11) NEW PLUMBING (ROUGH, SET & FIXTURES)	22,800
12) NEW ELECTRICAL	20,400
13) INSTALL INSULATION AS REQ'D.	3,060
14) REPLACE SIDING AS REQ'D (1300 SQ. FT.)	7,290
15) STRUCTURAL (FLOOR JOISTS, SILLS, STUDS ETC)	30,600
16) INSTALL 33 PAR SHUTTERS	5
17) ROOF PAINTING AND NEW REAR "SHED" TYPE ROOF AT KITCHEN.	8,400
18) REPAIR/REPLACE 2 STORY FRONT PORCH	8,160
19) DEMOLITION AND DUMP FEES.	15,600
20) PERMITS.	5,040

TOTAL  
CONTINGENCY

\$ 221,000

\$ 55,000

\$ 276,000

(ARCHITECTURAL FEE TO BE  
DONATED)

M Skoglund

KINKY CONSTRUCTION CO.

ARCHITECTURE  
CONSTRUCTION  
RENOVATION

(300) 246-2682  
KEY WEST, FLA.  
MIKE SKOGLUND

6-21-6

THE STRUCTURE AT 507 1/2 JULIA ST IS BASIC-  
LY DESTROYED AND WILL HAVE TO BE TOTALLY  
RE-BUILT, AS A TWO BEDROOM APARTMENT  
AND AN OFFICE. THE APPROXIMATE COST WOULD  
BE \$290,000 TO RE-BUILD THE 1320 SQ. FT.  
BUILDING.

M. SKOGLUND  
J. Siegel  
ARCHITECT

apartment is	522 sq. ft.	\$ 114,682
Front office	798	175,318
Total	<u>1320</u>	<u>\$ 290,000</u>

$$\$ 290,000 \div 1320 \text{ sq. ft.} = \$ 219.70 \text{ per sq. ft.}$$

KINKY CONSTRUCTION CO.

ARCHITECTURE  
CONSTRUCTION  
RENOVATION

(305) 296-2632  
KEY WEST, FLA.  
MIKE SKOGLUND

June 25, 2005

Wendy Coles, Executive Director  
SHAL, Inc.  
12<sup>th</sup> Street Professional Bldg.  
Key West, FL 33040

RE: Permits for BCCLT Housing Project for 2007 HHA Grant

Dear Ms. Coles,

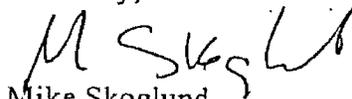
I am a Board Member of the Board of Directors of the Bahama Conch Community Land Trust of Key West, Inc. and am serving as the volunteer General Contractor for all of their housing projects.

I have completed the floor plans and budgets for the projects at 209 Petronia Street, 307 and 307 1/2 Julia Street that BCCLT is requesting funding for in the amount of \$750,000 from SHAL's HUD HHA grant for 2007.

We have site control of these properties and permits will be applied for as soon the designs are approved by the Historical Architectural Review Commission and the funding is approved.

If you need any further information, please feel free to call me at (305) 296-2632.

Sincerely,

  
Mike Skoglund  
Architect/GC

# **Southernmost Homeless Assistance League**

---

*The Monroe County, FL Community Coalition dedicated to the Special Needs of the Homeless*

## **HOMELESS HOUSING ASSISTANCE GRANT**

**2007**

---

**Elmira Leto, Chair**  
**Michael Perry, Secretary**

**Elena Herrera, Vice Chair**  
**Yonita Garvin Valdez, Treasurer**

PO Box 2990, Key West, FL 33045-2990

**“Bahama Village”  
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# Southernmost Homeless Assistance League

*The Monroe County, FL Community Coalition dedicated to the Special Needs of the Homeless*

July 31, 2006

Mr. Tom Pierce, Executive Director  
Office on Homelessness  
Department of Children and Families  
1317 Winewood Blvd.  
Tallahassee, Florida 32399-0700

Re: Application for FY 2007 Homeless Housing Assistance Grant  
Bahama Conch Community Land Trust

Dear Tom:

The Southernmost Homeless Assistance League (SHAL), in partnership with the Bahama Conch Community Land Trust of Key West, Inc., is submitting this request for \$750,000 in Homeless Housing Assistance funds to rehabilitate homes in the historic Bahama Village of Key West, Florida. The Bahama Conch Community Land Trust was developed in the mid-1990's to stop the gentrification of Key West's only predominantly black neighborhood. Many of the homes have fallen into disrepair because they are unoccupied; many families have lost their homes because they could not pay their taxes. The land trust buys the property, restores them, and then rents them at rates affordable to the community.

The **10 units** of permanent housing will serve chronically homeless individuals and families. The cost per unit will be **\$ 75,000 per unit**. The cost is impacted by the city requirement to restore these buildings, dating back to the 1800's, consistent with their historical nature.

SHAL has an unsheltered homeless population ratio of .58/1,000 for its catchment area, Monroe County.

If you have questions regarding the Bahama Conch Community Land Trust project, or the enclosed application, please call their Executive Director, Norma Jean Sawyer-Atanda, at 305-304-3765 and fax at 305-294-8901. Thank you for considering funding this project.

Sincerely,



Wendy Coles, PhD  
SHAL Executive Director

---

Elmira Leto, Chair  
Michael Perry, Secretary

Elena Herrera, Vice Chair  
Venita Garvin Valdez, Treasurer

PO Box 2990, Key West, FL 33045-2990



BAHAMA CONCH  
COMMUNITY  
LAND TRUST OF  
KEY WEST, INC.

~~325 Julia Street, Key West, Florida 33040~~

~~bcclt@bcclt.org~~

~~www.bcclt.org~~

~~Telephone 305 294-0884~~

~~Fax: 305 294-8901~~

July 28, 2006

Wendy Coles, Executive Director  
Southernmost Homeless Assistance League, Inc.  
12<sup>th</sup> Street Professional Bldg.  
Key West, FL 33040

RE: Request for Funding HHA 2007

Dear Ms. Coles,

As a current member of SHAL, the Bahama Conch Community Land Trust of Key West, Inc. is requesting an opportunity to apply for HHA 2007 funding to bring on line 10 new units for homeless individuals and families in Key West, Monroe County, FL who are in need of permanent housing. The amount of our request is \$750,000 to rebuild and rehabilitate properties currently vacant and uninhabitable in the historic neighborhood of Bahama Village.

Attached please find the information requested by SHAL for this 2007 funding cycle. If you need any further information, please do not hesitate to call me at (305) 942-6849, or our Executive Director, Norma Jean Sawyer-Atanda at (305) 304-6765.

Thank you for your support.

Sincerely,

Robert Kelly, Jr.  
President

HOMELESS HOUSING ASSISTANCE 2007  
REQUEST FOR FUNDING

PROJECT SPONSOR: Bahama Conch Community Land  
Trust of Key West, Inc. (BCCLT)

HOMELESS POPULATION TO BE SERVED: Homeless Individuals  
& Families

# OF NEW UNITS TO BE CREATED: 10 Units

PROJECT LOCATION: Scattered Sites in Bahama  
Village, Monroe County, FL

The Sites are within the historic community of Bahama Village, three blocks south of Downtown Key West. They are situated within one block of the Key West Bus Transportation routes and local schools and employers are located within a three mile radius of the sites.

LEVERAGE OF OTHER PUBLIC & PRIVATE FUNDS: Funding for Pre-development  
Cost (i.e. Surveys, Appraisals, Fees)  
and Project Contingencies

BCCLT is the Community Redevelopment Agency agent for the City of Key West's Tax Increment Funds for Bahama Village. BCCLT has historically been funded by the City of Key West for projects of this nature.

PROJECT BUDGET: \$950,000

**CONCURRENCE WITH CONTINUUM OF CARE & COORDINATION WITH OTHER SERVICES & PROVIDERS:**

Within the SHAL Continuum of Care, BCCLT has committed to provide working homeless individuals and families with Mortgage Assistance through Key West Bank, Rental Assistance Subsidies as needed, Counseling/Advocacy, some Life Skills, Educational, and Employment Training.

BCCLT assists other agencies (i.e. Monroe County Social Services, AIDS HELP) in placing homeless individuals if a unit of appropriate size is available.

BCCLT will partner with the Key West Legacy Community Initiative (Counseling/Advocacy, Life Skills & Educational Training) and local Professional Volunteers in construction for Employment Skills Training, to provide these services to working homeless individuals and families qualifying for BCCLT's Housing program.

Heads of households must meet the Federal definition of homelessness, be a resident of Monroe County, and show proof of evidence of activity to attain self sufficiency to become certified income eligible for the BCCLT Housing program.

PERFORMANCE MEASURES:

Rehabilitation Start Date: January 2007  
Location of Site: 209 Petronia Street

---

Number & Cost of Unit: 1- Two Bedroom @ \$134,000  
Approximate Completion Date: June 2007

BCCLT will finalize the building permit process upon notification of funding approval within the next four to six months.

A homeless family of four from BCCLT's housing waiting list has already been identified and qualified to move into this unit upon its completion in June 2007.

Rehabilitation Start Date: January 2007  
Location of Site: 307 Julia Street  
Number & Cost of Unit: (2) three bedroom units  
@ \$276,000  
Approximate Completion Date: June 2007

BCCLT will finalize the building permit process upon notification of funding approval within the next four to six months. In May 2007, BCCLT will begin the selection process of eligible clients on the housing waiting list. June 2007, two eligible households will be selected for the units.

New Construction Start Date: January 2007  
Location of Site: 307 1/2 Julia Street  
Number & Cost of Unit: 1 two bedroom unit @ \$285,000  
Approximate Completion Date: June 2007

The present unit which was zoned for mixed use, will be demolished and replaced with office space for BCCLT in the front that will be funded with non-federal dollars and one 2 bedroom unit at the rear of the building. Upon funding approval, BCCLT will finalize the building permit process and a line of credit will be applied for from Key West Bank to facilitate the pre-development cost of the project.

Two eligible homeless individuals will be selected to move into the units upon their completion in June of 2007.

BCCLT is Florida's first community land trust. It has taken on the challenge, since incorporating in 1995, to assist in the preservation of these historic structures that tell the story of the community's development and to continue to maintain them in a decent and safe condition for permanently affordable housing for the households of very low to moderate incomes.

Bahama Village is in one of Key West's historical districts with over 100 wooden homes dated back from the 1800's. Rehabilitation plans of these units must be approved by the Historical Architectural Review Commission to insure the preservation of these historical assets. Therefore, rehabilitation costs are much higher in Bahama Village due to the stringent guidelines of the Commission.

**EXHIBIT C**  
**HOMELESS HOUSING ASSISTANCE GRANT**  
**BUDGET, AND SOURCE AND USE**

**A. Budget**

Please provide a complete budget for the project to be assisted by the Homeless Housing Assistance Grant (HHAG).

<u>Activity</u>	<u>HHAG Request</u>	<u>All Other Sources</u>	<u>Total Cost</u>
Acquisition	Not Eligible	\$ _____	\$ _____
Rehabilitation	\$404,500	\$145,500	\$550,000
New Construction	\$290,000	\$ 54,500	\$344,500
Permits, Fees	\$ 18,000	\$ _____	\$ 18,000
Project Design	Not Eligible	\$ _____	\$ _____
Off-Site Improvements	Not Eligible	\$ _____	\$ _____
Grant Administration (5% maximum)	\$ 37,500	\$ _____	\$ 37,500
<b>TOTALS</b>	<b>\$750,000</b>	<b>\$200,000</b>	<b>\$950,000</b>

**B. Project Financing Source and Use**

Provide a complete accounting of all financing and revenue committed to complete the project, using the table below.

<u>Source of Cash/Financing</u>	<u>Amount of Funding</u>	<u>Uses of the Cash</u>	<u>Written Commitment Attached Yes/No</u>
1. Homeless Housing Asst. Grant	\$750,000	Rehabilitation	_____
2. Key West Bank	\$200,000	Project Soft Cost	Yes
3.	\$ _____	_____	_____
4.	\$ _____	_____	_____
5.	\$ _____	_____	_____
<b>TOTALS</b>	<b>\$950,000</b>		

Be specific as to the source. For example, name the specific lender, such as First State Bank, instead of just listing "bank."

**C. Grant Drawdown Schedule**

Please fill in below your anticipated schedule for drawing the state grant from the department. For planning purposes, expect the grant to be awarded by the end of the first quarter of the fiscal year.

<u>Quarter</u>	<u>Draws Expected</u>	<u>% Drawn</u>
July 1 - Sept. 30	Grant Award	0%
Oct. 1 - Dec. 31	\$375,000	50 %
Jan. 1 - March 31	\$187,500	25 %
April 1 - June 30	\$187,500	25 %

**D. Leveraging Criteria**

i. One of the preference criteria to be used in the ranking of the applications shall be leveraging of other sources of funds. The priority shall go to the application that requires the lowest dollar amount of Homeless Housing Assistance Grant funding per new unit of homeless housing to be created by the project.

- 1. Amount of Homeless Housing Assistance Grant Requested \$ 750,000
- 2. Number of New Homeless Housing Units 10

**NOTE:** This number shall be based on the data contained in Exhibit D of the grant instructions, as certified to by the lead agency. Be sure to use the definition of "unit" as contained in the grant instructions.

Divide the total amount of the Homeless Housing Assistance Grant requested by the total number of new units of homeless housing to be created, to determine the amount of grant assistance requested per unit of housing to be created. The figure shall be expressed in dollars and cents.

Divide HHAG Grant Request \$750,000 by number of new units 10 to equal \$75,000/per unit of new housing created.

Leverage: Grant Amount Per Unit \$20,000

ii. The second preference criteria shall be the leveraging ratio of other private and public dollars committed to the amount of the grant requested. The priority ranking shall go to the application that leverages the highest ratio of other funds to the grant dollars requested. Example: a project has written commitments of \$500,000 in other private and public funds, and requests a grant of \$300,000. A leveraging ratio is calculated by dividing \$500,000 by \$300,000, to result in a ration of 1.67.

- (1) From section B above, enter the total amount of written commitments of other private and public dollars. \$200,000
- (2) From section B above, enter the total amount of the Homeless Housing Assistance Grant requested. \$750,000
- (3) Divide the total in line 1 by the total in line 2 to result in a leverage ratio calculated to two decimal places (1.01) 0.27 Ratio

**E. Certification by Lead Agency**

I hereby attest and certify that the above financial information is true and accurate, and that the requested grant assistance per unit of new homeless housing to be created is true and accurate.

Lead Agency Name: Southernmost Homeless Assistance League \_\_\_\_\_

Lead Agency Official: Wendy Coles, PhD \_\_\_\_\_

Lead Agency Official Signature: Wendy Coles \_\_\_\_\_

Date Executed: July 31, 2006 \_\_\_\_\_

**FAILURE TO PROVIDE AN ORIGINAL SIGNED CERTIFICATION ON FORM EXHIBIT C, SHALL BE CAUSE FOR THE APPLICATION TO BE RANKED LAST ON THE LEVERAGE PREFERENCE CRITERIA.**

TOTAL			-300.00	(300.00)
1007	07/27/2007 ADRIAN POITIER MARINE BK 0518			
		Contract Labor SHAL	-7,463.45	
		SHAL-Contract Labor-Improv	-5,803.25	
TOTAL		Building Supplies	-655.71	
			<u>-13,922.41</u>	(13,922.41) <del>Ø</del>
9887	07/27/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Contract Labor	-275.00	
		Repair & Maintenance	-75.00	
		Contract Labor	-100.00	
		Labor	-50.00	
TOTAL		Suspense Expense (needs advice)	-25.00	
			<u>-525.00</u>	(525.00)
116	08/03/2007 ADRIAN POITIER MARINE BK 0518			
		Contract Labor SHAL	-7,000.80	
		SHAL-Contract Labor-Improv	-6,260.50	
TOTAL		Building Supplies	-419.71	
			<u>-13,681.01</u>	(13,681.01) <del>Ø</del>
126	08/10/2007 ADRIAN POITIER MARINE BK 0518			
		Contract Labor SHAL	-8,880.50	
		SHAL-Contract Labor-Improv	-7,368.50	
TOTAL		Building Supplies	-404.95	
			<u>-16,653.95</u>	(16,653.95) <del>Ø</del>
135	08/15/2007 ADRIAN POITIER MARINE BK 0518			
TOTAL		Labor	-112.50	
			<u>-112.50</u>	(112.50)
138	08/17/2007 ADRIAN POITIER MARINE BK 0518			
		Contract Labor	-225.00	
TOTAL			<u>-225.00</u>	(225.00)
140	08/17/2007 ADRIAN POITIER MARINE BK 0518			
		SHAL-Contract Labor-Improv	-5,537.10	
		Contract Labor SHAL	-4,699.50	
		SHAL-Building Supplies-Improv	-370.49	
			<u>-10,607.09</u>	

TOTAL			-10,607.09	(10,607.09)
165	08/24/2007	ADRIAN POITIER MARINE BK 0518		
		SHAL-Contract Labor-Improv	-4,208.05	
		Contract Labor SHAL	-2,479.20	
		Materials Building SHAL	-299.75	
TOTAL			<u>-6,987.00</u>	(6,987.00)
167	08/24/2007	ADRIAN POITIER MARINE BK 0518		
		Improvements	-3,285.30	
TOTAL			<u>-3,285.30</u>	(3,285.30)
169	08/24/2007	ADRIAN POITIER MARINE BK 0518		
		SHAL-Building Supplies-Improv	-299.75	
TOTAL			<u>-299.75</u>	(299.75)
149	09/01/2007	ADRIAN POITIER MARINE BK 0518		
		SHAL-Contract Labor-Improv	-5,928.25	
		Contract Labor SHAL	-5,738.00	
TOTAL			<u>-11,666.25</u>	(11,666.25)
111	09/01/2007	ADRIAN POITIER Marine Bk 0302		
		Improvements	-637.50	
		Materials/Supplies/Dump Fees	-405.85	
TOTAL			<u>-1,043.35</u>	(1,043.35)
115	09/04/2007	ADRIAN POITIER Marine Bk 0302		
		Contract Labor	-212.00	
TOTAL			<u>-212.00</u>	(212.00)
119	09/06/2007	ADRIAN POITIER Marine Bk 0302		
		SHAL-Contract Labor-Improv	-3,475.00	
		Contract Labor SHAL	-2,371.30	
TOTAL			<u>-5,846.30</u>	(5,846.30)
126	09/11/2007	ADRIAN POITIER Marine Bk 0302		
		Suspense Expense (needs advice)	-968.00	
TOTAL			<u>-968.00</u>	(968.00)

TOTAL				-3,706.29	(3,706.29)
	222	11/23/2007 Adrian Poitier	102000 · Marine Bank 0518 - Construction		
			141210 · Labor	-742.63	
TOTAL				<u>-742.63</u>	(742.63)
	233	12/07/2007 Adrian Poitier	102000 · Marine Bank 0518 - Construction		
	259803-4	12/07/2007	62150 · Outside Contract Services	-240.00	
		SHAL	141310 · Labor	-37.50	
		SHAL	141210 · Labor	-150.00	
		SHAL	141310 · Labor	-162.50	
	259806,7,8,9	12/07/2007 SHAL	141210 · Labor	-912.50	
		SHAL	141220 · Materials	-179.27	
TOTAL				<u>-1,681.77</u>	(1,681.77)
	250	11/01/2007 Adrian Poitier	101000 · Marine Bank 0302 Admin		
	259811	01/11/2008	62150 · Outside Contract Services	-15.49	
TOTAL				<u>-15.49</u>	(15.49)
					(294,434.30)

Adrian Backup  
2007

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>BAHAMA CONCH COMMUNITY LAND TRUST</b> <b>325 JULIA STREET</b> <b>KEY WEST, FL 33040</b> <b>305-304-4217</b>		1 Rents \$	OMB No. 1545-0115  <b>2007</b>  Form 1099-MISC	Miscellaneous Income
PAYER'S federal identification number <b>65-0681293</b>		2 Royalties \$	3 Other income \$	
RECIPIENT'S name <b>ADRIAN POITIER</b>  Street address (including apt. no.) <b>529 CAROLINE ST #3</b>  City, state, and ZIP code <b>KEY WEST, FL 33040</b>  Account number (see instructions)		RECIPIENT'S identification number [REDACTED]-6136	4 Federal income tax withheld \$	Copy 2 To be filed with recipient's state income tax return, when required.
5 Fishing boat proceeds \$		6 Medical and health care payments \$	7 Nonemployee compensation \$ <b>306439.62</b>	
8 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		9 Substantive payments in lieu of dividends or interest \$	10 Crop insurance proceeds \$	
11 [REDACTED]		12 [REDACTED]	13 Excess golden parachute payments \$	
14 Gross proceeds paid to an attorney \$		15 State tax withhold \$	16 Gross/Payer's state no. \$	17 State income \$
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withhold \$	17 Gross/Payer's state no. \$	18 State income \$

# Appendix E

BCCLT Expense Report Revised 12.03.2009 B

Date	Vendor	Check No.	Amount	Description
2/12/2007	Waste Management	9505	616,207.31	
2/14/2007	Strunk Ace Hardware	9501		722.22 Pick up & return of dumpster @307 Julia St.
2/14/2007	Strunk Ace Hardware	9517		75.33 Supplies @ 307 Julia St.
2/20/2007	City of Key West	9508		294.28 Supplies @ 307 Julia St.539.87
2/21/2007	Manley de Boer	9513		1,175.00 Building Permit @307 Julia St
2/23/2007	Adrian Pollier	9510		342.37 Material for 307 Julia St
3/2/2007	Adrian Pollier	9514		1,501.50 307 Julia St. Inv#407510,407511,407512,407514,407515,407516
3/9/2007	Manley de Boer	9518		1,922.00 Invoice # 407501,407502,07503,407504,407505,407506,407507,407508,407513,407517
3/9/2007	Adrian Pollier	9528		4,187.54 Renovation 307 Julia St. Inv #407521,522,524,525,526,527,528,530,531,532,533,535,536,537,538,539,407543 & reimbursement for \$42
3/9/2007	Mich Major	9525		1,590.85 Material for 307 Julia St. Acct #0056960
3/16/2007	Adrian Pollier	9527		4,811.00 307 Julia St. Renovations Inv#s 407545,407550,314151,314153,314156-160
3/16/2007	Adrian Pollier	9538		1,400.00 Project Supervisor @307 Julia St.
3/16/2007	Strunk Ace Hardware	9672		67.50 Reimbursement invoice #314182
3/16/2007	Manley de Boer	9675		183.16 Reference #016935
3/16/2007	Manley de Boer	9674		338.21 Invoice #78738,78770
3/16/2007	Manley de Boer	9677		48.40 reference #79377,79498
3/16/2007	Manley de Boer	9878		755.20 Reference 79192
3/19/2007	Strunk Ace Hardware	9531		518.50 Reference #80012
3/20/2007	Robin Leslie	9533		6,966.50 Renovation Labor 307 Julia St. Inv#s 314164,314177,314179,314181
3/20/2007	Mich Major	9534		79.22 307 Julia St. Reference #016607,016604,309Julia St.,017157,017241,017060,017769,017667
3/23/2007	Adrian Pollier	9532		350.00 Wind Lead & Energy Report 3071/2 Julia St.
3/27/2007	Adrian Pollier	9540		1,575.00 45 hours at \$35.00 per hour
3/20/2007	Mich Major	9543		7,618.25 307 Julia St. Inv#s 314186,314187,314188,89,90,91,92,93,94,95,96,97,98,053201,02,03
4/6/2007	Adrian Pollier	9553		320.00 Labor @ 307 Julia
4/6/2007	Mich Major	9551		7,767.93 Labor / Repair @307 Julia St. \$7,698.00 reimbursement \$69.93
4/9/2007	S. B. Peñiling & Grounds Maintenance, Inc	9548		3,174.32 Builders Risk Insurance
4/10/2007	Kicky Construction	9547		420.32 Labor invoice #053232, 1168 Geraldine St \$110.00 1168A Geraldine St. \$44.00, 309 Julia St. \$22.00 Reimbursement Inv#053240
4/10/2007	Waste Management	9559		4,200.00 Project Supervisor @307 Julia St. Inv#s 053208,053224,053244,3451,400.00
4/10/2007	Strunk Ace Hardware	9555		7,186.00 Labor @307 Julia Inv#s 053225-26,053228-230,053234-235,053237-238,053242-053243
4/10/2007	Manley de Boer	9556		7,425.00 Painting Down Payment @307 Julia St.
4/10/2007	Kinkey Construction	9558		1,978.71 Debris Removal @307 Julia St. previous Bal \$247.71, 577x3=\$1,731.00
4/13/2007	Adrian Pollier	9587		100.00 Building & Demo Permits 3071/2 Julia
				3,193.69 Materials for 307 Julia St.
				100.00 Building & Demo Permits 3071/2 Julia
				7,344.50 Labor Inv. #053245-247,053249,313601-313608,313611-313316 @307 Julia

4/20/2007	Adrian Politer	9588	8,720.50	Labor Inv. # 313614,313615,313616,313619,313620-621,313622-629,313631-633
4/23/2007	City of Key West	9589	10,017.00	Building & Demo Permits 3071/2 Julia
4/27/2007	Adrian Politer	9709	7,732.77	Labor Inv. #313634-648 @ 307 3071/2 Julia, reimb. \$299..77
4/29/2007	Robin Leslie	9719	175.00	Wfrd Load Report
4/29/2007	Waydes Bobcat Service	9718	315.00	Auger Holes @ 3071/2 Julia
5/2/2007	S & B Painting	9711	7,425.00	Balance due for Painting @ 307 Julia
5/4/2007	Poner Alien	9723	1,736.74	Premium Builders Risk Ins. 3071/2 Julia
5/7/2007	Monroe Concrete Products, Inc.	9726	7,809.42	Labor Inv.#313649,514201,02,03,04,05,06,07,08,09,10,11,12,13,14 @307 & 3071/2 Julia
5/7/2007	S & S Concrete Pumping	9725	1,112.90	Concrete @3071/2 Julia
5/7/2007	Roberts Plumbing	9735	195.00	Concrete Pumping @ 3071/2 Julia
5/11/2007	Adrian Politer	9730	6,215.00	Deposit on Plumbing @ 307 Julia
5/16/2007	Mobile Mini, Inc.	9743	85.96	Invoice #514229 Reimb. Fuel, Ice, water etc.
5/16/2007	Strunk Ace Hardware	9744	6,438.50	Labor Inv.# 514215,514216,514217,514218,514219,514222,514223,514224,514225,514226,514227,514228,514229
5/17/2007	Monroe Concrete Products, Inc.	9731	149.28	Storage for 904 Emma St.
5/18/2007	Adrian Politer	9748	1,953.61	Acc. #41391 SHAL \$1,764.61, 116 Geraldine \$102,37, 829 Caroline St. #3 \$22,64; & \$63.99
5/18/2007	Monroe Concrete Products, Inc.	9740	2,800.00	Project Management 4/20/7-5/4/07 \$1,400.00x2 @ 307 Julia
5/21/2007	Manley de Boer	9733	217.59	Pea rock @ 307 Julia
5/25/2007	Adrian Politer	9734	238.21	Pea rock @ 307 Julia
5/29/2007	Clerk of the County	9758	7,368.00	Labor 307 & 3071/2 Julia St. Inv #514233,514236,514241,514249
5/29/2007	Roberts Plumbing	9756	12,445.52	Materials and Supplies Acct #0056950
5/31/2007	Sunrise Drywall	9757	6,244.32	Labor 307 & 3071/2 Julia St. Inv #5240701,02,03,05,06,07,08,09,10,11,12,13,14
6/4/2007	Mobile Mini, Inc.	9767	12.00	Notice of Commencement for 209 Petronia St.
6/6/2007	Cuny Refrigeration & Air Conditioning Inc.	9768	5,361.00	Deposit for Plumbing @ 3071/2 Julia St.
6/6/2007	Roberts Plumbing Contractors Inc.	9762	7,000.00	Deposit for Drywall Installation 307 Julia St.
6/6/2007	U Electric	9764	6,820.43	Labor Inv #240715-240725 \$6,761.50 reimbursement \$58.93
6/6/2007	Manley de Boer	9765	149.28	Storage @ 904 Emma St.
6/6/2007	Strunk Ace Hardware	9781	4,250.00	50% Down Payment for 2 air-conditioning units for 307 Julia St.
6/8/2007	Adrian Politer	9782	3,658.50	Down Payment for Plumbing @209 Petronia St.
6/12/2007	Waste Management	9808	3,185.00	35% deposit for 209 Petronia S. Electric contract
6/12/2007	Lighthouse Electric	9783	11,813.19	Materials and Supplies @ 307 Julia St \$1,920.29, 3071/2 Julia St \$9,706.22 Finance Charge \$186.68
6/14/2007	Dirk Cheap Hauling	9814	1,588.34	Acct #41391 3071/2 Julia St. \$828.51,209 Petronia \$103.37,116A Geraldine \$9,88,309 Julia \$32.02, 116B Geraldine \$21.29, 307 Julia \$67.31 + 4
6/15/2007	Adrian Politer	9817	9,970.45	Labor 307-3071/2 Julia & 209 Petronia St. Inv # 240728,29,30,32,33,34,35,36,37,38,39,40,42,43,240749 & \$510.95 reimbursement
6/15/2007	Adrian Politer	9818	1,244.49	Dumpster Fees 209 Petronia St. \$476.85 @ 307 Julia St. Pick up fees \$364.65
			9,578.87	307 Julia St. Electric Service & Wiring
			350.00	Hauling Debris 209 Petronia
			97.05	Reimbursement Gas, Ice, tool repair
			594.00	Labor Inv # 514533

6/21/2007	Roberts Plumbing Contractors Inc.	9785	
6/22/2007	Adrian Politer	9822	5,788.00 307 Julia St. Inv # 3512 \$3,107.50 Inv # 3518 \$2,66.50
6/26/2007	Price Cutlers	9827	10,827.39 Labor Inv # 406701,02,03,04,05,06,07,08,09,10,11,12,13,14,15,16 @ 307-3071/2 Julia & 209 Petronia St 320.00 Paa rock @307 Julia St.
6/27/2007	Dan Ace Roofing, Inc.	9835 (A)	2,700.00 Deposit for Roofing Contract @3071/2 Julia St.
6/29/2007	Adrian Politer	9833	12,841.27 Labor Inv # 406718-406736 \$12,438.20 Inv# 406737 \$403.07 reimbursement
7/2/2007	Mobile Mini, Inc.	9845	132.30 Inv 24044354 storage @904 Emma St.
7/6/2007	Adrian Politer	9852	11,969.23 Labor @307 Julia \$6,155.50 209 Petronia \$5,285.95. Reimbursement Inv # 406745, \$527.78
7/10/2007	Lighthouse Electric	9851 (Y)	12,748.77 Electric Services @307 Julia St.
7/10/2007	Stunk Ace Hardware	9853	16,023.09 Materials & Supplies
7/16/2007	Manley de Boer	9854 (C)	6,619.00 Drywall Installation @3071/2 Julia St.
7/12/2007	Houle Schneider	9855	9,850.00 Interior Painting @ 307 Julia
7/12/2007	S. B. Painting & Grounds Maint., Inc.	9854 (E)	4,000.00 Deposit for 1st Pmt for Painting @3071/2 Julia
7/12/2007	Nippor's Painting Inc.	9848 (F)	12,288.13 Labor 209 Petronia \$5,753.50; 307 Julia \$6,123.00
7/13/2007	Adrian Politer	9867	5,280.00 Deposit for roofing @ 307 & 3071/2 Julia
7/13/2007	Stielor Carpet & The	9866	2,946.99 Appliances for 307 & 3071/2 Julia & 209 Petronia
7/16/2007	Home Depot	9865	1,091.98 Appliances for 209 Petronia
7/16/2007	Home Depot	9862	219.00 Microwave for 307 Julia
7/16/2007	Home Depot	9861	575.00 Construction debris removal @209 Petronia Inv. #478335
7/17/2007	David Service	9872	320.00 Paa rock 3071/2 Julia (paid by phone)
7/18/2007	Price Cutlers	9873	7,939.00 Bal due for Drywall @ 307 Julia
7/20/2007	Sunshine Drywall	1002	13,390.28 Labor Inv #306207,306217, reimb. for inv. #306218 \$558.78
7/20/2007	Adrian Politer	1000	78.24 Cleaning Supplies Inv.#314106;314160;314660;315717. @307 & 3071/2 Julia
7/23/2007	Key West Chemicals	9880	537.00 Doors @ 209 Petronia
7/23/2007	Home Depot	9878	1,319.50 Doors @ 3071/2 Julia & Spinicles @ 3071/2 Julia
7/23/2007	Manley de Boer	1005 (C)	16,023.09 Replacement of Key West Bank Check for supplies 7 Materials Inv. #0056950
7/25/2007	Price Cutlers	9882	320.00 Paa rock 3071/2 Julia & 307 Julia
7/26/2007	Manuel Miranda	9885	120.00 Pick up & delivery kitchen cabinets @ 209 Petronia & 307 & 3071/2 Julia
7/27/2007	J Electric	1009	2,730.00 30% contract electric services @ 209 Petronia
7/27/2007	S. B. Painting & Grounds Maint., Inc.	1008	2,955.00 30% down payment for Painting @ 307 Julia
8/1/2007	Keys Energy Services, Inc.	1007	13,922.41 Payroll \$13,266.70 & reimb. \$655.71
8/1/2007	Keys Energy Services, Inc.	107	825.00 Deposits for 307 Julia \$125.00 & 3071/2 Julia \$700.00
8/1/2007	Keys Energy Services, Inc.	108	830.00 Impact fees for 307 Julia \$820.00 & 3071/2 Julia \$710.00
8/1/2007	Lighthouse Electric	101	3,213.27 Electrical services @ 3071/2 Julia
8/1/2007	Dan Ace Roofing, Inc.	105 (A)	5,600.00 Balance on Contract @307 Julia
8/1/2007	Dan Ace Roofing, Inc.	106	1,200.00 Deposit on roof @ 209 Petronia
8/1/2007	Dwayne Norris	109	1,345.33 Deposit on Drywall @ 209 Petronia

8/1/2007	Freds Beds & Furniture	110	1,902.00	Furnishings for 307 Julia
8/3/2007	Adrian Pollier	116	13,681.01	Labor 307&307 1/2 Julia & 209 Petronia Inv #306235;306237;306245;reimb Inv #306248 \$419.71
8/6/2007	Dwayne Norris	121	500.00	2nd Draw for Drywall @ 209 Petronia
8/6/2007	Manley de Boer	123	11,634.83	Materials & Supplies
8/6/2007	Strunk Ace Hardware	124	1,787.55	Materials & Supplies Acct#41391
8/9/2007	Keys Energy Services, Inc.	127	56.00	209 Petronia consumption
8/10/2007	Sherman Williams Paint	119	67.98	Paint for 307 Julia
8/10/2007	Oswid Service	120	520.00	Pick up & delivery of furniture for 307 Julia from Big Pine Key
8/10/2007	Howel Schneider	125	3,994.93	Drywall @ 307 1/2 Julia Inv # 397638 & 397639
8/10/2007	Adrian Pollier	126	16,563.95	Labor @ 307 Julia \$7,368.50, 209 Petronia \$8,880.50 reimb \$404.95 inv.#303484
8/10/2007	Waste Management	128	73.59	209 Petronia Dumpster
8/10/2007	Key West Chemicals	129	39.60	307 1/2 Julia Inv #316920
8/10/2007	Dwayne Norris	131	1,908.40	Final payment for drywall @ 209 Petronia
8/17/2007	Adrian Pollier	140	10,607.09	307 307 1/2 Julia & 209 Petronia Invoices# 303458-59,60,61,62,63,66,67,68,69,70,71
8/22/2007	S.B. Painting & Grounds Maint., Inc.	137	2,200.00	Interior painting @ 307 Julia
8/23/2007	Roberts Plumbing Contrls. Inc.	142	1,829.25	Rough Draw request for Plumbing @209 Petronia Inv #3536
8/23/2007	Steller Carpet & Tile	146	1,394.50	50% Downpmt for carpet @209 Petronia Inv #417
8/23/2007	Nippers Painting Inc.	143	4,000.00	2nd payment on contract @ 307 1/2 Julia Inv #242
8/24/2007	Howe Schneider	148	6,317.00	Labor drywall @307 1/2 Julia Inv #397645 & Inv #397646 @209 Petronia
8/24/2007	Adrian Pollier	165	6,987.00	Labor 307 & 307 1/2 Julia & 209 Petronia Inv #303473,74,75,76,77, 303485
8/24/2007	Adrian Pollier	169	299.75	Reimbursement Inv # 303486 Fuel, Ice, water, materials, & Payroll
8/27/2007	Waste Management	170	2,389.08	Dumpster pick up @ 307 307 1/2 Julia & 209 Petronia Inv # 2865169-1096-6 & 2865185-1096-2
9/1/2007	Adrian Pollier	149	11,666.25	Labor 307 Julia & 209 Petronia Inv #303487, 86,89,90,91,92,93,94,95,97,98,99
9/5/2007	Home Depot	118	181.15	Fans & Light fixture @307 Julia & 209 Petronia
9/6/2007	Adrian Pollier	119	5,846.30	Labor & reimbursement 307-307 1/2 Julia & 209 Petronia Inv #586401,02,03,04,05,06,07,08
9/13/2007	City of Key West	171	25.00	Inspection of electrical 209 Petronia
9/14/2007	Adnan Porter	126	968.00	1/2 Labor Cts @ 209 Petronia
9/19/2007	Jose Espinoza	146	1,184.00	Labor @ 209 Petronia St. \$360.09; 307 Julia St.\$360.00; 209 Petronia St. \$464.00
9/19/2007	Richard Zerbo	147	210.00	Labor @ 307 Julia St.
9/20/2007	Nippers Painting Inc.	132	4,000.00	Final Pmt for 307 1/2 Julia St.
9/20/2007	Steller Carpet & Tile	135	6,674.50	Flooring 207 Petronia St.
9/20/2007	S.B.Painting & Ground Maint. Inc	131	4,695.00	Final Pmt Interior Painting 307 Julia St.
9/20/2007	Kevin Rodriguez	136	3,185.00	Final Pmt Electric work 209 Petronia St.
9/20/2007	Michael Fain	137	534.00	Labor @ 307 Julia St.
9/26/2007	Edwin Torres	138	233.00	Labor @ 307 - 307 1/2 Julia St.
10/11/2007	Manley de Boer	157	171.50	Labor @ 209 Petronia St.
		173	9,731.27	Material & Supplies Acct # 0056960

10/2/2007 Waste Management	17	
10/2/2007 Dan-Ace Roofing Inc.	175(H)	1,310.75 Dumpster 307 Julia
10/2/2007 Lighthouse Electric	174	2,400.00 Final Pmt per contract 209 Patronia St.
10/2/2007 Roberts Plumbing Contractor's Inc.s	176	9,579.09 Electric Services 307-3071/2 Julia St.
10/2/2007 Adrian Portier	180	8,745.46 Final Pmt 209 Patronia \$2556.33 307; Julia \$3508.63; 3071/2 Julia \$2690.50
10/2/2007 Stunk Ace Hardware	177	1,068.00 Labor @ 307 Julia St. \$589.00; reimbursement \$479.00
10/3/2007 City of Key West	181	4,578.61 Material & Supplies Acct # 4139
10/3/2007 Adrian Portier	183	525.00 Building permits 209 Patronia
10/4/2007 Fidelity	167	1,095.25 Labor @ 307 & 307 1/2 Julia St. \$697.00; 209 Patronia \$275.00; reimbursement \$124.25
10/12/2007 Lighthouse Electric	190	317.00 Flood Insurance
10/12/2007 Adrian Portier	174	8,314.56 Inv #1765 307 & 307 1/2 Julia Re Acct # 141330&141230
10/26/2007 Adrian Portier	191	2,807.98 307 Julia Invoices 586422,586423,586424,566425,586427,586428.
10/28/2007 Island Seamless Gutter Inc.	199	2,250.00 Proposal did 10/17/2007 for 307 & 3071/2 Julia to cover labor costs
10/28/2007 Roberts Plumbing Contractor's Inc.s	197	525.00 Install Gutter 307 Julia
10/28/2007 Stunk Ace Hardware	198	293.54 Inv # 47226 & 47499 Plumbing services
11/9/2007 Adrian Portier	200	691.46 various properties
12/2/2007 Stunk Ace Hardware	236	1,000.00 Final Pmt per contract 303-305 Julia St.
9/20/2009 Citizens Property Insurance Corporation	140	889.24 \$609.95 SHAL various properties - Geraldine/Julia/Thomas/Caroline per statement 3,943.00 Windstorm Insurance 307 Julia

# **Appendix F**

2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD - CHECK ONE  Monthly: *November*  
 Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

1. Financial

Total Grant Awarded to Lead Agency: \$750,000  
Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
Total Grant Disbursed To Sub-Grantees  
By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

H-3

## 2. Progress on Completion of the Grant Activity

## HHA: BCCLT's Project Development Team Meeting Minutes

Date: 11/10/06  
 Place: BCCLT's Office  
 Time: 3:00 p.m. – 3:45 p.m.

## Team Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	
Mike Skoglund	X	
Adrian Poitier	X	
Wendy Coles	X	
Steve Braddock	X	
John Jones	X	
Others	Yes	No
Trixie Phelan	X	

*Purpose: Review of Expectations to proceed with projects at 307, 307 ½ Julia and 209 Petronia Street*

## 1. Discussion Item: Property Lien

- ↳ Trixie need Property descriptions/proof of ownership to get liens in place to release funds.  
 307 & 307 ½ Julia Street info is available  
 209 Petronia Street sale and deed conveyance to BCCLT still pending, but will be completed  
 By February 07 through the Monroe County Land Authority

## 2 Discussion Item: Permit process

- ↳ Mike Skoglund as BCCLT Qualifier and Project Manager will handle all permit applications and project drawings
- ↳ One application for HARC for the demolition of 307 ½ Julia will take 2 to 4 weeks
- ↳ Drawings will be submitted after HARC approval for construction permits – (2 to 4 weeks)  
 For 307 & 307 ½ Julia Street

## 3. Discussion Item: Work Crews and Job Trainee Opportunities

- ↳ BCCLT will apply for Job Training Grant to teach Construction Trades on these projects
- ↳ There will be 3 three men work crews for each project supervised by the Project Supervisor
- ↳ Other SHAL Members interested in Job Training Program
- ↳ Preliminary visit to the Julia Street Project

**Next Meeting: December 8, 2006**

*Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director*

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families. Women with Children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer-Atanda*  
Signature

DATE: 12/8/06

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD - CHECK ONE  Monthly: December  
 Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

## 2. Progress on Completion of the Grant Activity

## HHA: BCCLT's Project Development Team Meeting Minutes

Date: 12/08/06  
 Place: BCCLT's Office  
 Time: 3:00 p.m. – 3:30 p.m.

## Team Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	
Mike Skoglund		X
Adrian Poitier		X
Wendy Coles	X	
Steve Braddock		X
John Jones		X
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan		X

*Purpose: Review of Expectations to proceed with projects at 307, 307 ½ Julia*

## 1. Discussion Item: Project Update

- ↳ Mike Skoglund has requested permission to demolish 307 ½ Julia Street as per Planning Dept.
- ↳ Contract between BCCLT & SHAL signed December 6, 2006
- ↳ Info on deeds and property description was presented for lien application for 307 & 307 ½ Julia Street

## 2. Discussion Item: Permit process

- ↳ Mike Skoglund is preparing the drawings for the demolition of the interior of 307 Julia Street as well as the drawings for the new structure at 307 ½ Julia Street. Permit application will be prepared when drawings are completed within the next two weeks.

## 3. Discussion Item: Work Crews and Job Trainee Opportunities

- ↳ BCCLT did not receive a Workforce Training Grant therefore would have to scale back plans for the construction trades training program.

**Next Meeting: January 12, 2007**

*Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director*

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer Atanda*  
Signature

DATE: 01/12/07

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD – CHECK ONE  Monthly: **January**  
 Final: **If this is your final report, the lead agency shall attach an evaluation of the grant’s effectiveness in achieving the intended purposes.**

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

## 2. Progress on Completion of the Grant Activity

## HHA: BCCLT's Project Development Team Meeting Minutes

Date: 01/12/07  
 Place: BCCLT's Office  
 Time: 3:00 p.m. – 4:00 p.m.

## Team Members Present:

<i>Member</i>	<i>Yes</i>	<i>No</i>
Norma Jean Sawyer-Atanda	X	
Mike Skoglund	X	
Adrian Poitier	X	
Wendy Coles	X	
John Jones		X
Barry Gibson		X
Steve Braddock	X	
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan	X	

*Purpose: Review of Expectations to proceed with projects at 307, 307 ½ Julia*

## 1. Discussion Item: Project Update

- ↳ The Yards at 307 7 307 ½ Julia have been thoroughly cleaned to gain access to buildings
- ↳ Project site (307-307 ½ Julia) visit to see progress
- ↳ Mobile Storage Container has been acquired to store furnishings & supplies from 307 Julia St.
- ↳ Removal of all furnishings and supplies in 307 Julia St. has been completed
- ↳ Crew of 4 has been assigned to the project; one supervisor's assistant, a skilled carpenter, one trainee, and one project supervisor (Licensed Sub-Contractor)
- ↳ Request for first draw is presented
- ↳ Audit is still pending and will be delivered during the first week of February per CPA.

## 2 Discussion Item: Permit process

- ↳ Project Manager Mike Skoglund has submitted the drawings for the demolition of the interior of 307 Julia Street as well as the drawings for the new structure at 307 ½ Julia Street along with the permit applications to begin work.

## 3. Discussion Item: Work Crews and Job Trainee Opportunities

- ↳ BCCLT suggested that perhaps those SHAL members that were interested in the Job training program may want to send skilled tradesmen or laborers (who may be homeless and looking for work) to our Project Supervisor Mitch Major to interview for possible job opportunities during this project.

Next Meeting: February 9, 2007

Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer-Atanda*  
Signature

DATE: 01/24/07

2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD – CHECK ONE  Monthly: February  
 Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

1. Financial

Total Grant Awarded to Lead Agency: \$750,000  
Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
Total Grant Disbursed To Sub-Grantees  
By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

## 2. Progress on Completion of the Grant Activity

## HHA: BCCLT's Project Development Team Meeting Minutes

Date: 02/09/07  
 Place: BCCLT's Office  
 Time: 3:00 p.m. – 3:30 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	X
Mike Skoglund		X
Adrian Poltier	X	
Wendy Coles	X	
John Jones		X
Barry Gibson		X
Steve Braddock		X
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan		X
Mitch Major	X	

*Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures*

- ↳ Building permit issuance is pending receipt of Electrical info from Lighthouse Electric.
- ↳ Project is on schedule
- ↳ Audit is still pending and will be delivered during the second week of February per CPA.

## 2 Discussion Item: 307 ½ Julia Street

- ↳ Project Manager Mike Skoglund has submitted the drawings for the construction of 307 ½ Julia Street to HARC and awaiting the second meeting for approval later in the month.

## 3. Discussion Item: 209 Petronia Street

- ↳ The Monroe County Land Authority is in the closing phase of the purchase of the Petronia Street Properties. Closing should take place by the end of February or during the week of March 1, 2007

## 4. Discussion Item: Expenditures – Receipts Attached

Building Permit Fee	\$ 298.00
Moving Expense (Truck & Storage)	\$ 822.62
Dumpster Fees	\$ 934.75
Cleaning & Building Supplies	\$ 656.80
Printing/Reports	\$ 195.26
Labor	\$ 8,510.56
FUNDS EXPENDED AS OF 02/09/07	\$11,417.99 F

Next Meeting: March 16, 2007

Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

**CERTIFICATION OF ACCURACY**

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

Signature

DATE: 02/09/07

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD - CHECK ONE  Monthly: March  
 Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	\$712,500			

## 2. Progress on Completion of the Grant Activity

## HHA: BCCLT's Project Development Team Meeting Minutes

Date: 03/16/07  
 Place: BCCLT's Office  
 Time: 3:00 p.m. – 4:30 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	X
Mike Skoglund	X	
Adrian Poitier	X	
Wendy Coles	X	
John Jones		X
Barry Gibson	X	
Steve Braddock	X	
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan	X	
Mitch Major		X

*Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures*

1. Discussion Item: 307 Julia Street
  - ↳ Building permit for 307 Julia Street issued 2/20/07. Builders Agreement signed.
  - ↳ Lighthouse Electric has begun electrical work
  - ↳ Project is on schedule
  - ↳ Audit for 2004 & 2005 delivered to Wendy
2. Discussion Item: 307 ½ Julia Street
 

HARC approved drawings. Project Manager Mike Skoglund has submitted building permit application. Elevation and Wind Load Reports were ordered and submitted with drawings. Builders Risk Insurance is pending.
3. Discussion Item: 209 Petronia Street
  - ↳ The Monroe County Land Authority is in the closing phase of the purchase of the Petronia Street Properties. Closing should take place by the April 16, 2007.
4. Discussion Item: Expenditures – Receipts Attached
 

Building Permit Fee	\$ 1,275.00
Petty Cash Reimbursements	\$ 381.60
Dumpster Fees	\$ 2,700.93
Builders Risk Ins., Wind Load Reports	\$ 3,524.32
Materials/Supplies	\$ 7,883.13
Labor	<u>\$ 55,305.72</u>

FUNDS EXPENDED AS OF 04/10/07                      \$71,070.70 ₣

Next Meeting: April 13, 2007

Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

Signature *Norma Jean Sawyer Atanda*

DATE: 04/10/07

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD – CHECK ONE  Monthly: **May**  
 Final: **If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.**

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____



KEY WEST BANK

VIA ELECTRONIC MAIL

May 11, 2008

Norma Jean Sawyer-Atanda  
Bahama Conch Community Land Trust of Key West Inc.  
325 Julia Street  
Key West, FL 33040

Re: BCCLT Rehabilitation Grant Construction and Permanent mortgage financing

Dear Mrs. Sawyer-Atanda:

Key West Bank is pleased to have been a provider of construction and permanent mortgage financing to BCCLT and BCCLT homebuyers in the past. We are always interested in finding ways to make the dream of homeownership an affordable reality especially to low and moderate-income families. It is my understanding that Bahama Conch Community Land Trust of Key West, Inc has some exciting opportunities to obtain and redevelop properties in Key West for re-sale to low and moderate-income families. As you know we have assisted in new and reconstruction of homes for BCCLT and BCCLT families. It gives me pleasure knowing that these families are making their dream of homeownership come true and that we were a part of helping that dream come true. Key West Bank will be glad to assist with construction or reconstruction loan financing for your planned projects and will be happy to provide the end permanent financing to buyers of the BCCLT homes. Construction or re-construction financing funds will be released during construction on work completed for each construction phase and Key West Bank will make the construction building inspections for release of funds. The construction loan will charge interest on the funds disbursed throughout construction. The mortgages for the end loan to the borrower can be arranged as an assumable loan to help defer costs related to closing. The construction mortgage term is 12 months with 30 years for the permanent mortgage and we also have an option for a 40 year permanent mortgage to assist borrowers with qualification purposes. Loan processing will involve review of the plans and specifications of the projects and review of the builder contract by a licensed builder with acceptable credentials and experience. Additionally we will require updated financial and other documentation to update our loan file for BCCLT. Buyers will be screened by BCCLT and Key West Bank will qualify borrowers based on the banks underwriting standards. Key West Bank will also assist prospective buyers by conducting homebuyers education seminars and courses for responsibilities of homeownership and family budgeting and understanding the mortgage application process.

I am very much looking forward to assisting with these latest endeavors that BCCLT is proposing and will be available to meet to discuss more specifics about these properties. If I can be of further assistance, please contact me.

All the very best,

Joseph G. Clark  
Vice President/Chief Lending Officer



**BAHAMA CONCH  
COMMUNITY  
LAND TRUST OF  
KEY WEST, INC.**

325 Julia Street, Key West, Florida 33040  
bcclt@bcclt.org  
www.bcclt.org  
Telephone 305 294-0884  
Fax: 305 294-8901

**MEMORANDUM**

**TO:** Trixie Phelan, SHAL 2007 Grant Advisor  
**FROM:** Norma Jean Sawyer-Atanda  
Executive Director  
**DATE:** November 10, 2006  
**RE:** Info For Julia & Petronia Streets Property Liens

**BCCLT'S  
PROPOSED EXPENDITURES  
FOR  
2007 HHA GRANT**

<b>PROPERTY:</b>		
	209 Petronia Street Rehabilitation	\$ 128,500.00
	307 Julia Street Rehabilitation	\$ 276,000.00
	307 ½ Julia Street New Construction	<u>\$ 290,000.00</u>
		\$ 694,500.00
<b>PERMITS:</b>		\$ 18,000.00
<b>SHAL GRANT ADMINISTRATION:</b>		<u>\$ 37,500.00</u>
	<b>TOTAL SHAL GRANT:</b>	<b>\$ 750,000.00</b>

**EXHIBIT C**  
**HOMELESS HOUSING ASSISTANCE GRANT**  
**BUDGET, AND SOURCE AND USE**

11/6/2006

**A. Budget**

Please provide a complete budget for the project to be assisted by the Homeless Housing Assistance Grant (HHAG).

<u>Activity</u>	<u>HHAG Request</u>	<u>All Other Sources</u>	<u>Total Cost</u>
Acquisition	Not Eligible	\$ _____	\$ _____
Rehabilitation	\$404,500	\$145,500	\$550,000
New Construction	\$290,000	\$ 54,500	\$344,500
Permits, Fees	\$ 18,000	\$ _____	\$ 18,000
Project Design	Not Eligible	\$ _____	\$ _____
Off-Site Improvements	Not Eligible	\$ _____	\$ _____
Grant Administration (5% maximum)	\$ 37,500	\$ _____	\$ 37,500
<b>TOTALS</b>	<b>\$750,000</b>	<b>\$200,000</b>	<b>\$950,000</b>

**B. Project Financing Source and Use**

Provide a complete accounting of all financing and revenue committed to complete the project, using the table below.

<u>Source of Cash/Financing</u>	<u>Amount of Funding</u>	<u>Uses of the Cash</u>	<u>Written Commitment Attached Yes/No</u>
1. Homeless Housing Asst. Grant	\$750,000	Rehabilitation	
2. Key West Bank	\$200,000	Project Soft Cost	Yes
3.	\$ _____	_____	_____
4.	\$ _____	_____	_____
5.	\$ _____	_____	_____
<b>TOTALS</b>	<b>\$950,000</b>		

Be specific as to the source. For example, name the specific lender, such as First State Bank, instead of just listing "bank."

**C. Grant Drawdown Schedule**

Please fill in below your anticipated schedule for drawing the state grant from the department. For planning purposes, expect the grant to be awarded by the end of the first quarter of the fiscal year.

<u>Quarter</u>	<u>Draws Expected</u>	<u>% Drawn</u>
July 1 – Sept. 30	Grant Award	0%
Oct. 1 - Dec. 31	\$375,000	50 %
Jan. 1 – March 31	\$187,500	25 %
April 1 – June 30	\$187,500	25 %

## HOMELESS HOUSING ASSISTANCE SUB - GRANT AGREEMENT

Bahama Conch Community Land Trust, Inc.  
and  
Southernmost Homeless Assistance League, Inc.

**WHEREAS** the State Office on Homelessness of the Department of Children and Families (hereinafter Department) with the concurrence of the Council on Homelessness has been tasked by section 420.622 Florida Statutes, to accept and administer monies appropriated to it for the purpose of awarding Homeless Housing Assistance Grants to lead agencies for homeless assistance continuums of care, and

**WHEREAS** the Department has awarded a Homeless Housing Assistance Grant (hereinafter HHA) to the Southernmost Homeless Assistance League, Inc. (hereinafter SHAL) in the amount of \$750,000 for the purpose of rehabilitating homes to provide 10 new units of permanent housing to serve chronically homeless individuals and families, and

**WHEREAS** the Bahama Conch Community Land Trust, Inc. (hereinafter the Sub-grantee) has proposed to partner with SHAL in the construction of "Bahama Village" a project detailed in SHAL's 2007 HHA application to the Department, and

**WHEREAS** SHAL and the Department have reviewed the Sub-grantee's proposal and have determined it to be consistent with the furtherance of Monroe County's Continuum of Care Plan for homeless services,

**NOW, THEREFORE, SHAL hereby awards the sum of Seven Hundred Twelve Thousand Five Hundred Dollars to Sub-Grantee under the following terms and conditions:**

1. The application filed with the Department by SHAL dated July 31, 2006 and attached to this agreement as Attachment I is hereby incorporated within this agreement as if fully set out at length here. The solicitation document upon which that application is based is also hereby incorporated within this agreement.
2. The Sub-Grantee hereby agrees to perform the tasks and to provide the services described in Attachment I with the following exceptions and/or special conditions:

"NONE INCLUDED"

3. The Sub-Grantee shall be required to participate in the local homeless management information system for the continuum of care.
4. The Sub-Grantee further agrees that it will use due diligence in supervising its contractors to assure that funds are expended for the purposes intended and that a full accounting for these grant funds is made to SHAL.

4. Where there is a conflict between the grant application incorporated herein by reference and this Homeless Housing Assistance Sub-Grant Agreement, this Homeless Housing Assistance

ITEM

Grant Agreement shall prevail.

5. In accordance with sections 11.062 and 216.347 F.S., no funds provided by this grant may be expended for the purpose of lobbying the Legislature, the judicial branch, or a state agency.
6. This Homeless Housing Assistance Sub-Grant Agreement is executed and entered into in the State of Florida, and shall be construed, performed, and enforced in all respects in accordance with the applicable State of Florida laws. Each party shall perform its obligations herein in accordance with the terms and conditions of this grant agreement. The parties hereby agree that in the event that litigation by either party to this grant agreement becomes necessary that venue shall be proper in Monroe County, Florida.
7. The Sub-Grantee agrees to maintain complete, accurate and adequate records, including financial records and audits, relating to funds received pursuant to this Homeless Housing Assistance Sub-Grant Agreement and of all expenditures made by Sub-Grantee and its contractors and vendors with grant funds. SHAL will require audit and complete record keeping by the Sub-Grantee. All records shall be in sufficient detail to permit a proper pre audit and a post audit of all expenditures.
8. The Sub-Grantee agrees to provide a financial and compliance audit to SHAL as specified in this Homeless Housing Assistance Sub-Grant Agreement and to ensure that all related party transactions are disclosed to the auditor.
9. The Sub-Grantee agrees to retain all financial records, supporting documents, statistical records and any other documents, whether kept by electronic storage media or otherwise, pertinent to this Homeless Housing Assistance Grant Agreement for a period of not less than six (6) years after the completion date of this Homeless Housing Assistance Sub-Grant Agreement, or if audit findings have not been resolved at the end of the six (6) year period, the records shall be retained until resolution of the audit findings. State auditors and any persons duly authorized by the Department shall have full access to, and shall have the right to examine any of the said materials at any time during regular business hours.
10. The Sub-Grantee agrees to furnish SHAL with Monthly Status Reports, Attachment II to this Homeless Housing Assistance Sub-Grant Agreement no later than 10 days following the report period. The Sub-Grantee shall submit to SHAL a thorough evaluation of the effectiveness of this grant assistance in achieving the stated purposes of the program and the goals, objectives, and priorities stated in its application. This evaluation shall be submitted along with the final monthly report, upon completion of the housing construction and full occupancy of the ten units reserved for the homeless. The Sub-Grantee further agrees to furnish SHAL with biannual Occupancy Status Reports, Attachment III to this Homeless Housing Assistance Sub-Grant Agreement. Upon request from SHAL, the Occupancy Status Report (Attachment VI) will be submitted to SHAL and shall include complete and accurate occupancy information along with a thorough narrative describing any delays in completing the housing construction, and the impact of delays on full occupancy of the units reserved for the homeless.
11. The Sub-Grantee agrees to be liable for all claims, suits, judgments, or damages, including court costs and attorney's fees, arising out of the negligent or intentional acts or omissions of the

Sub-grantee, and its agents, and employees, during performance pursuant to this Homeless Housing Assistance Sub-Grant Agreement. Further, the Sub-Grantee agrees to indemnify SHAL against all claims, suits, judgments, or damages, including court costs and attorney's fees, arising out of the negligent or intentional acts or omissions of the Sub-Grantee, its agents, contractors, and employees, during performance pursuant to this Homeless Housing Assistance Grant Agreement.

12. The Sub-Grantee agrees to establish an informal dispute resolution process with which to resolve any disputes between the Sub-Grantee and any contractors, vendors or recipients. Disputes between the Sub-Grantee and any of the aforementioned will be resolved in accordance with those procedures.

13. As required by section 286.25, F.S., the Sub-Grantee as a non-governmental organization which sponsors a program financed wholly or in part by state funds, including any funds obtained through this sub-grant agreement, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: "Sponsored by Bahama Conch Community Land Trust, Inc., Southernmost Homeless Assistance League, Inc. and the State of Florida, Department of Children and Families." If the sponsorship reference is in written material, the words "State of Florida, Department of Children and Families" shall appear in the same size letters or type as the name of the Sub-Grantee.

14. The Sub-Grantee shall not use or disclose any information concerning a recipient of services under this Homeless Housing Assistance Sub-Grant Agreement for any purpose prohibited by state law or regulation (except with the written consent of a person legally authorized to give that consent or when authorized by law).

15. The Sub-Grantee shall permit Department personnel or representatives and SHAL personnel or representatives to monitor the services, which are the subject of this Homeless Housing Assistance Sub-Grant Agreement for a period of ten years.

ITEM 16. The Sub-Grantee agrees to allow public access to all documents, papers, letters, or other materials subject to the provisions of Chapter 119, Florida Statutes, and made or received by the Sub-Grantee in conjunction with this Homeless Housing Assistance Grant Agreement.

17. The release of funds shall be subject to the availability of funds and release of funds by the Department and in accordance with the Request for Release of Funds Schedule which is incorporated into this agreement. The Sub-Grantee shall prepare and submit a request for release of funds on the Sub-Grantee's stationary in accordance with the Request for Release of Funds Schedule. SHAL will provide the funds within fifteen (15) days of the receipt of the request for release of funds. SHAL's performance and obligation to pay under this Homeless Housing Assistance Grant is contingent upon receipts of funds from the Department and compliance with the terms of this agreement.

Sub-Grantee may request disbursements as follows: 50% on or about Nov.15, 2006  
 \*25% on or about Jan.15, 2007  
 \*25% on or about April 15, 2007

\*Contingent upon Sub-Grantee submitting documentation to SHAL for use of previously disbursed funds and monthly performance reports.

18. Any notice, that is required under this Homeless Housing Assistance Grant Agreement shall be in writing, and sent by hand delivery, U.S. Postal Service Certified mail, return receipt requested, or any expedited delivery service that provides verification of delivery. Said notice shall be sent to the representative of the Grantee responsible for administration at the designated address contained in this Homeless Housing Assistance Grant Agreement.

19. This Homeless Housing Assistance Sub-Grant Agreement shall be effective on Nov. 1, 2007 or on the date on which the Homeless Housing Assistance Sub-Grant Agreement has been signed by both parties, whichever is later. It shall end at midnight, local time in Monroe County, Florida, on June 30, 2007, or upon completion of the grant assisted housing construction, whichever is later.

19. In the event funds for payment pursuant to this Homeless Housing Assistance Sub-Grant Agreement become unavailable, SHAL may terminate this Homeless Housing Assistance Sub-Grant Agreement upon no less than twenty-four (24) hours notice in writing to the Sub-Grantee. Said notice shall be delivered by hand delivery, U.S. Postal Service, return receipt requested, or any expedited delivery service that provides verification of delivery. The Department shall be the final authority as to the availability and adequacy of state funds. In the event of termination of this Homeless Housing Assistance Sub-Grant Agreement, the Sub-Grantee will be compensated for any work satisfactorily completed.

ITEM 21. The Sub-Grantee agrees to return to SHAL any overpayments or funds disallowed pursuant to the terms and conditions of this Homeless Housing Assistance Sub-Grant Agreement that were disbursed to the Sub-Grantee by SHAL. In the event that the Sub-Grantee or its independent auditor discovers that an overpayment has been made, the Sub-Grantee shall repay said overpayment immediately without prior notification from SHAL. In the event that SHAL first discovers an overpayment has been made, the Executive Director, on behalf of SHAL, will notify the Sub-Grantee by letter of such findings. Should repayment not be made forthwith, the Sub-Grantee will be charged at the lawful rate of interest on the outstanding balance after SHAL notification or Sub-Grantee discovery.

22. Construction, Renovation, or Purchase of Real Property Using State Funds:

A. In accordance with Section 402.73(3) Florida Statutes (2005), if this Sub-Grant includes funds for the purchase of or improvement to real property the provision of grant funds are contingent upon the Sub-Grantee granting to the state a security interest in the property at least to the amount of the state funds provided for at least five (5) years from the date of purchase or the completion of the improvements or as further required by law. As a condition of receipt of state funding for this purpose, the Sub-Grantee agrees that, if it disposes of the property before the department's interest is vacated, the Sub-Grantee will refund the proportionate share of the state's initial investment, as adjusted by depreciation.

B. In accordance with subsection 420.622(5)(c), F.S. (2001), Sub-Grantee further agrees to reserve, for a minimum of ten (10) years, the number of units constructed or rehabilitated through this grant to serve persons who are homeless at the time they assume tenancy.

23. Any modification of provisions of this Homeless Housing Assistance Sub-Grant Agreement shall be approved by the SHAL Board of Directors with concurrence from the Department. Approval of any modification of provisions of this grant shall occur only if the proposed change does not modify the original project and/or does not alter the competitive award criteria (such as the number of units and leverage cost), as outlined in the Homeless Housing Assistance Sub-Grant application instructions by reference herein. Any proposed change in the provisions of this Sub-Grant will require that the Sub-Grantee submit a written statement of consistency with continuum of care plan referenced in the original application. Written approval of any such modifications shall be attached to the original of this Homeless Housing Assistance Sub-Grant Agreement and a copy shall be sent to the Department and contact for DCF Grant KFZ21.

24. Official Name of Payee and Representatives:

A. The official Sub-Grantee name and address, as shown on page 1 of this Homeless Housing Assistance Sub-Grant Agreement to which SHAL issue payment is: Bahama Conch Community Land Trust, 325 Julia St., Key West, FL 33040.

B. The name, address, telephone number, and email address of the representative of the Sub-Grantee responsible for administration under this Homeless Housing Assistance Sub-Grant Agreement is:

Norma Jean Sawyer-Atanda  
Executive Director  
Bahama Conch Community Land Trust  
325 Julia St.,  
Key West, FL 33040  
305-294-0884  
[normajceansawyer@bellsouth.net](mailto:normajceansawyer@bellsouth.net)

C. The name, address, telephone number, and email address for SHAL under this Homeless Housing Assistance Sub-Grant Agreement is:

Wendy Coles  
Executive Director  
Southernmost Homeless Assistance League  
PO Box 2990  
Key West, FL 33045  
305-294-9105  
[flshal@comcast.net](mailto:flshal@comcast.net)

25. This Homeless Housing Assistance Sub-Grant Agreement and its attachments and any exhibits referenced in said attachments, together with any documents incorporated by reference, contain all the terms and conditions agreed upon by the parties. There are no provisions, terms, conditions, or obligations other than those contained herein, and this Homeless Housing Assistance Grant Agreement shall supersede all previous communications, representations, or agreements, either verbal or written between the parties. If any term or provision of this Homeless Housing Assistance Grant Agreement is legally determined unlawful or unenforceable, the remainder of the Homeless Housing Assistance Grant Agreement shall remain in full force and effect and such term or provision shall be stricken.

IN WITNESS THEREOF the parties hereto have executed this 13 page Homeless Housing Assistance Grant Agreement by their undersigned officials as duly authorized.

Inc. SUB-GRANTEE: Bahama Conch Community Land Trust,

Signed By: Norma Jean Sawyer-Atanda

Name: Norma Jean Sawyer-Atanda

Title: Executive Director

Date: December 6, 2006

Grantee Federal EID#: 65-0681293

Grantee Fiscal Year Ending Date: Sept 30<sup>th</sup>

\*\*\*\*\*

Southernmost Homeless Assistance League, Inc.

Signed By: Wendy Coles

Name: Wendy Coles

Title: SHAL Exec. Director

Date: Dec. 8, 2006

Signed By: Emir L. Leto

Name: EMIRAL. LETO

Title: CHAIR

Date: Dec. 12, 2006

HOMELESS HOUSING ASSISTANCE 2007  
REQUEST FOR FUNDING

PROJECT SPONSOR: Bahama Conch Community Land Trust of Key West, Inc. (BCCLT)

HOMELESS POPULATION TO BE SERVED: Homeless Individuals & Families

# OF NEW UNITS TO BE CREATED: 10 Units

PROJECT LOCATION: Scattered Sites in Bahama Village, Monroe County, FL

The Sites are within the historic community of Bahama Village, three blocks south of Downtown Key West. They are situated within one block of the Key West Bus Transportation routes and local schools and employers are located within a three mile radius of the sites.

LEVERAGE OF OTHER PUBLIC & PRIVATE FUNDS: Funding for Pre-development Cost (i.e. Surveys, Appraisals, Fees) and Project Contingencies

BCCLT is the Community Redevelopment Agency agent for the City of Key West's Tax Increment Funds for Bahama Village. BCCLT has historically been funded by the City of Key West for projects of this nature.

PROJECT BUDGET: \$950,000

CONCURRENCE WITH CONTINUUM OF CARE & COORDINATION WITH OTHER SERVICES & PROVIDERS:

Within the SHAL Continuum of Care, BCCLT has committed to provide working homeless individuals and families with Mortgage Assistance through Key West Bank, Rental Assistance Subsidies as needed, Counseling/Advocacy, some Life Skills, Educational, and Employment Training.

BCCLT assists other agencies (i.e. Monroe County Social Services, AIDS HELP) in placing homeless individuals if a unit of appropriate size is available.

BCCLT will partner with the Key West Legacy Community Initiative (Counseling/Advocacy, Life Skills & Educational Training) and local Professional Volunteers in construction for Employment Skills Training, to provide these services to working homeless individuals and families qualifying for BCCLT's Housing program.

Heads of households must meet the Federal definition of homelessness, be a resident of Monroe County, and show proof of evidence of activity to attain self sufficiency to become certified income eligible for the BCCLT Housing program.

PERFORMANCE MEASURES:

Rehabilitation Start Date: January 2007  
Location of Site: 209 Petronia Street  
Number & Cost of Unit: 1- Two Bedroom @ \$184,000  
Approximate Completion Date: June 2007

BCCLT will finalize the building permit process upon notification of funding approval within the next four to six months.

A homeless family of four from BCCLT's housing waiting list has already been identified and qualified to move into this unit upon its completion in June 2007.

Rehabilitation Start Date: January 2007  
Location of Site: 307 Julia Street  
Number & Cost of Unit: (2)three bedroom units @ \$276,000  
Approximate Completion Date: June 2007

BCCLT will finalize the building permit process upon notification of funding approval within the next four to six months. In May 2007, BCCLT will begin the selection process of eligible clients on the housing waiting list. June 2007, two eligible households will be selected for the units.

New Construction Start Date: January 2007  
Location of Site: 307 1/2 Julia Street  
Number & Cost of Unit: 1 two bedroom unit @ \$285,000  
Approximate Completion Date: June 2007

*ITEM*  
The present unit which was zoned for mixed use, will be demolished and replaced with office space for BCCLT in the front that will be funded with non-federal dollars and one 2 bedroom unit at the rear of the building. Upon funding approval, BCCLT will finalize the building permit process and a line of credit will be applied for from Key West Bank to facilitate the pre-development cost of the project.

Two eligible homeless individuals will be selected to move into the units upon their completion in June of 2007.

BCCLT is Florida's first community land trust. It has taken on the challenge, since incorporating in 1995, to assist in the preservation of these historic structures that tell the story of the community's development and to continue to maintain them in a decent and safe condition for permanently affordable housing for the households of very low to moderate incomes.

Bahama Village is in one of Key West's historical districts with over 100 wooden homes dated back from the 1800's. Rehabilitation plans of these units must be approved by the Historical Architectural Review Commission to insure the preservation of these historical assets. Therefore, rehabilitation costs are much higher in Bahama Village due to the stringent guidelines of the Commission.

# **Appendix D**

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A107

**Standard Form of Agreement Between  
Owner and Contractor**  
Short Form Agreement for Small Construction Contracts

Where the Basis of Payment is a  
**STIPULATED SUM**

*THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH  
AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION*

*For other contracts the AIA issues Standard Forms of Owner-Contractor Agreements and Standard General Conditions  
of the Contract for Construction for use in connection therewith.*

**AGREEMENT**

made this 30<sup>TH</sup> day of APRIL in the year ~~Nineteen~~  
~~Hundred and~~ 2007

**BETWEEN**

BREKID CONCH COMMUNITY LAND TRUST the Owner, and

KIKY CONSTRUCTION the Contractor.

FOR 307 1/2 JULIA ST, KEY WEST, FLA

The Owner and Contractor agree as set forth below.

1  
R-1

ARTICLE 1  
THE WORK

The Contractor shall perform all the Work required by the Contract Documents for  
(Here insert the caption descriptive of the Work as used on other Contract Documents.)

OWNER WILL SUPPLY ALL LABOR, MATERIALS  
AND INSURANCES

CONTRACTOR/QUALIFIER WILL ACT AS QUALIFIER  
AND WILL SUPERVISE ALL CONSTRUCTION  
AND IS RESPONSIBLE FOR ALL PERMITTING.

ARTICLE 2  
ARCHITECT

The Architect for this Project is

MICHAEL SCOLLUP

ARTICLE 3  
TIME OF COMMENCEMENT AND COMPLETION

The Work to be performed under this Contract shall be commenced

and completed

ARTICLE 4  
CONTRACT SUM

The Owner shall pay the Contractor for the performance of the Work, subject to additions and deductions by Change Order as provided in the General Conditions, in current funds, the Contract Sum of  
(State here the lump sum amount, unit prices, or both, as desired.)

N X

**ARTICLE 5**  
**PROGRESS PAYMENTS**

Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as follows:

**ARTICLE 6**  
**FINAL PAYMENT**

The Owner shall make final payment \_\_\_\_\_ days after completion of the Work, provided the Contract be then fully performed, subject to the provisions of Article 17 of the General Conditions.

**ARTICLE 7**  
**ENUMERATION OF CONTRACT DOCUMENTS**

The Contract Documents are as noted in Paragraph 8.1 of the General Conditions and are enumerated as follows:  
*(List below the Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda and accepted Alternates, showing page or sheet numbers in all cases and dates where applicable.)*

## GENERAL CONDITIONS

### ARTICLE 8 CONTRACT DOCUMENTS

8.1 The Contract Documents consist of this Agreement (which includes the General Conditions), Supplementary and other Conditions, the Drawings, the Specifications, all Addenda issued prior to the execution of this Agreement, all amendments, Change Orders, and written interpretations of the Contract Documents issued by the Architect. These form the Contract and what is required by any one shall be as binding as if required by all. The intention of the Contract Documents is to include all labor, materials, equipment and other items as provided in Paragraph 11.2 necessary for the proper execution and completion of the Work and the terms and conditions of payment therefor, and also to include all Work which may be reasonably inferable from the Contract Documents as being necessary to produce the intended results.

8.2 The Contract Documents shall be signed in not less than triplicate by the Owner and the Contractor. If either the Owner or the Contractor do not sign the Drawings, Specifications, or any of the other Contract Documents, the Architect shall identify them. By executing the Contract, the Contractor represents that he has visited the site and familiarized himself with the local conditions under which the Work is to be performed.

8.3 The term Work as used in the Contract Documents includes all labor necessary to produce the construction required by the Contract Documents, and all materials and equipment incorporated or to be incorporated in such construction.

### ARTICLE 9 ARCHITECT

9.1 The Architect will provide general administration of the Contract and will be the Owner's representative during the construction period.

9.2 The Architect shall at all times have access to the Work wherever it is in preparation and progress.

9.3 The Architect will make periodic visits to the site to familiarize himself generally with the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents. On the basis of his on-site observations as an architect, he will keep the Owner informed of the progress of the Work, and will endeavor to guard the Owner against defects and deficiencies in the Work of the Contractor. The Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, and he will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

9.4 Based on such observations and the Contractor's Applications for Payment, the Architect will determine the amounts owing to the Contractor and will issue Certificates for Payment in accordance with Article 17.

9.5 The Architect will be, in the first instance, the interpreter of the requirements of the Contract Documents. He will make decisions on all claims and disputes between the Owner and the Contractor. All his decisions are subject to arbitration.

9.6 The Architect will have authority to reject Work which does not conform to the Contract Documents.

### ARTICLE 10 OWNER

10.1 The Owner shall furnish all surveys.

10.2 The Owner shall secure and pay for easements for permanent structures or permanent changes in existing facilities.

10.3 The Owner shall issue all instructions to the Contractor through the Architect.

### ARTICLE 11 CONTRACTOR

11.1 The Contractor shall supervise and direct the Work, using his best skill and attention. The Contractor shall be solely responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract.

11.2 Unless otherwise specifically noted, the Contractor shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and completion of the Work.

11.3 The Contractor shall at all times enforce strict discipline and good order among his employees, and shall not employ on the Work any unfit person or anyone not skilled in the task assigned to him.

11.4 The Contractor warrants to the Owner and the Architect that all materials and equipment incorporated in the Work will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defects and in conformance with the Contract Documents. All Work not so conforming to these standards may be considered defective.

11.5 The Contractor shall pay all sales, consumer, use and other similar taxes required by law and shall secure all permits, fees and licenses necessary for the execution of the Work.

11.6 The Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, and orders of any public authority bearing on the performance of

the Work, and shall notify the Architect if the Drawings and Specifications are at variance therewith.

11.7 The Contractor shall be responsible for the acts and omissions of all his employees and all Subcontractors, their agents and employees and all other persons performing any of the Work under a contract with the Contractor.

11.8 The Contractor shall review, stamp with his approval and submit all samples and shop drawings as directed for approval of the Architect for conformance with the design concept and with the information given in the Contract Documents. The Work shall be in accordance with approved samples and shop drawings.

11.9 The Contractor at all times shall keep the premises free from accumulation of waste materials or rubbish caused by his operations. At the completion of the Work he shall remove all his waste materials and rubbish from and about the Project as well as his tools, construction equipment, machinery and surplus materials, and shall clean all glass surfaces and shall leave the Work "broom clean" or its equivalent, except as otherwise specified.

11.10 The Contractor shall indemnify and hold harmless the Owner and the Architect and their agents and employees from and against all claims, damages, losses and expenses including attorneys' fees arising out of or resulting from the performance of the Work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder. In any and all claims against the Owner or the Architect or any of their agents or employees by any employee of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this Paragraph 11.10 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor under workmen's compensation acts, disability benefit acts or other employee benefit acts. The obligations of the Contractor under this Paragraph 11.10 shall not extend to the liability of the Architect, his agents or employees arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the Architect, his agents or employees provided such giving or failure to give is the primary cause of the injury or damage.

#### ARTICLE 12 SUBCONTRACTS

12.1 A Subcontractor is a person who has a direct contract with the Contractor to perform any of the Work at the site.

12.2 Unless otherwise specified in the Contract Docu-

ments or in the Instructions to Bidders, the Contractor, as soon as practicable after the award of the Contract, shall furnish to the Architect in writing a list of the names of Subcontractors proposed for the principal portions of the Work. The Contractor shall not employ any Subcontractor to whom the Architect or the Owner may have a reasonable objection. The Contractor shall not be required to employ any Subcontractor to whom he has a reasonable objection. Contracts between the Contractor and the Subcontractor shall be in accordance with the terms of this Agreement and shall include the General Conditions of this Agreement insofar as applicable.

#### ARTICLE 13 SEPARATE CONTRACTS

The Owner has the right to let other contracts in connection with the Work and the Contractor shall properly cooperate with any such other contractors.

#### ARTICLE 14 ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend all suits or claims for infringement of any patent rights and shall save the Owner harmless from loss on account thereof.

#### ARTICLE 15 ARBITRATION

All claims or disputes arising out of this Contract or the breach thereof shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association and shall be made within a reasonable time after the dispute has arisen.

#### ARTICLE 16 TIME

16.1 All time limits stated in the Contract Documents are of the essence of the Contract.

16.2 If the Contractor is delayed at any time in the progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in transportation, unavoidable casualties, causes beyond the Contractor's control, or by any cause which the Architect may determine justifies the delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

#### ARTICLE 17 PAYMENTS

17.1 Payments shall be made as provided in Article 5 of this Agreement.

17.2 Payments may be withheld on account of (1) defective Work not remedied, (2) claims filed, (3) failure of the Contractor to make payments properly to Sub-

contractors or for labor, materials, or equipment, (4) damage to another contractor, or (5) unsatisfactory prosecution of the Work by the Contractor.

17.3 Final payment shall not be due until the Contractor has delivered to the Owner a complete release of all liens arising out of this Contract or receipts in full covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Owner indemnifying him against any lien.

17.4 The making of final payment shall constitute a waiver of all claims by the Owner except those arising from (1) unsettled liens, (2) faulty or defective Work appearing after Substantial Completion, (3) failure of the Work to comply with the requirements of the Contract Documents, or (4) terms of any special guarantees required by the Contract Documents. The acceptance of final payment shall constitute a waiver of all claims by the Contractor except those previously made in writing and still unsettled.

### ARTICLE 18

#### **PROTECTION OF PERSONS AND PROPERTY**

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. He shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to (1) all employees on the Work and other persons who may be affected thereby, (2) all the Work and all materials and equipment to be incorporated therein, and (3) other property at the site or adjacent thereto. He shall comply with all applicable laws, ordinances, rules, regulations and orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss. All damage or loss to any property caused in whole or in part by the Contractor, any Subcontractor, any Sub-subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, shall be remedied by the Contractor, except damage or loss attributable to faulty Drawings or Specifications or to the acts or omissions of the Owner or Architect or anyone employed by either of them or for whose acts either of them may be liable but which are not attributable to the fault or negligence of the Contractor.

### ARTICLE 19

#### **CONTRACTOR'S LIABILITY INSURANCE**

~~The Contractor shall purchase and maintain such insurance as will protect him from claims under workmen's compensation acts and other employee benefit acts from claims for damages because of bodily injury, including death, and from claims for damages to property which may arise out of or result from the Contractor's operations under this Contract, whether such operations be by himself or by any Subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than any limits of liability specified as part of this Contract, or required by law, whichever is the greater, and shall include contractual liability insurance as applicable to the Contractor's obli-~~

gations under Paragraph 11.10. Certificates of such insurance shall be filed with the Owner.

### ARTICLE 20

#### **OWNER'S LIABILITY INSURANCE**

The Owner shall be responsible for purchasing and maintaining his own liability insurance and, at his option, may maintain such insurance as will protect him against claims which may arise from operations under the Contract.

### ARTICLE 21

#### **PROPERTY INSURANCE**

21.1 Unless otherwise provided, the Owner shall purchase and maintain property insurance upon the entire Work at the site to the full insurable value thereof. This insurance shall include the interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Work and shall insure against the perils of Fire, Extended Coverage, Vandalism and Malicious Mischief.

21.2 Any insured loss is to be adjusted with the Owner and made payable to the Owner as trustee for the insureds, as their interests may appear, subject to the requirements of any mortgagee clause.

21.3 The Owner shall file a copy of all policies with the Contractor prior to the commencement of the Work.

21.4 The Owner and Contractor waive all rights against each other for damages caused by fire or other perils to the extent covered by insurance provided under this paragraph. The Contractor shall require similar waivers by Subcontractors and Sub-subcontractors.

### ARTICLE 22

#### **CHANGES IN THE WORK**

22.1 The Owner without invalidating the Contract may order Changes in the Work consisting of additions, deletions, or modifications, the Contract Sum and the Contract Time being adjusted accordingly. All such Changes in the Work shall be authorized by written Change Order signed by the Owner or the Architect as his duly authorized agent.

22.2 The Contract Sum and the Contract Time may be changed only by Change Order.

22.3 The cost or credit to the Owner from a Change in the Work shall be determined by mutual agreement.

### ARTICLE 23

#### **CORRECTION OF WORK**

The Contractor shall correct any Work that fails to conform to the requirements of the Contract Documents where such failure to conform appears during the progress of the Work, and shall remedy any defects due to faulty materials, equipment or workmanship which appear within a period of one year from the Date of Substantial Completion of the Contract or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Contract Documents. The provisions of this Article 23 apply to Work done by Subcontractors as well as to Work done by direct employees of the Contractor.

**ARTICLE 24**  
**TERMINATION BY THE CONTRACTOR**

If the Architect fails to issue a Certificate of Payment for a period of thirty days through no fault of the Contractor, or if the Owner fails to make payment thereon for a period of thirty days, the Contractor may, upon seven days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner payment for all Work executed and for any proven loss sustained upon any materials, equipment, tools, and construction equipment and machinery, including reasonable profit and damages.

**ARTICLE 25**  
**TERMINATION BY THE OWNER**

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents or fails to perform any provision of the Contract, the Owner may, after seven days' written notice to the Contractor and without prejudice to any other remedy he may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the Contractor or, at his option, may terminate the Contract and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever method he may deem expedient, and if the unpaid balance of the Contract Sum exceeds the expense of finishing the Work, such excess shall be paid to the Contractor, but if such expense exceeds such unpaid balance, the Contractor shall pay the difference to the Owner.

This Agreement executed the day and year first written above.

OWNER Norman J. Sawyer - Atanda CONTRACTOR M. Slogoff

INDEPENDENT CONTRACTOR AGREEMENT

This agreement is made and entered into this 3 day of JAN, 2007 by and between BCCLT hereinafter "the Company" and ADRIAN POITIER (hereinafter "Contractor").

Whereas, the Company desires to hire the Contractor to perform work in accordance with the terms of this agreement and to compensate the Contractor on a commission basis herein provided;

Whereas, the Contractor is willing to perform services in accordance with the terms hereinafter set forth,

Now therefore in consideration of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

Paragraph I. The Company shall pay the Contractor in accordance with the schedule attached hereto as Exhibit "A" incorporated by reference herein. Said amounts shall be due and payable 14 days after contractor completes the actions described in said Exhibit.

Paragraph II. The Company shall not be liable for any withholding tax, social security taxes, workmen's compensation or other expense or liability attributable to an employer/employee relationship.

Paragraph III. Relationship Between Parties.

The Contractor is retained and employed by the Company only for purposes and to the extent set forth in this agreement, and his relation to the Company and its subsidiary companies shall, during the period or periods of his employment and services thereunder, be that of an independent practitioner. Contractor shall be free to dispose of such portion of his entire time, energy, and skill during regular business hours as he is not obligated to devote thereunder to the Company and its subsidiaries in such manner as he sees fit and to such persons, firms, or corporations as he deems advisable. The Contractor shall not be considered as having an employee status or as being entitled to participate in plans, arrangements, or distributions by the Company or its subsidiary companies pertaining to or in connection with any pension, stock, bonus, profit sharing or similar benefits for their regular employees.

Per Kelly not presented to B.I for discussion + approval.

INDEPENDENT CONTRACTOR AGREEMENT

Page 2 of 2

Paragraph IV. Professional Responsibility.

Nothing in the Agreement shall be construed to interfere with or otherwise affect the rendering of services by Contractor in accordance with his independent and professional judgment. This Agreement shall be subject to the rules and regulations of any and all professional organizations or associations to which the Contractor may from time to time belong and the laws and regulations governing said practice in this State.

In witness whereof the Company, has caused this Agreement to be executed in its corporate name by its corporate officers, and the Contractor has set his hand and seal, as of the day the and year first above written.

Attest:

by: Norma J. [Signature]  
Witness

[Signature] PRESIDENT  
BCLLT  
the Company

by: \_\_\_\_\_  
Witness

[Signature]  
Contractor

by: \_\_\_\_\_  
Witness

EXHIBIT "A"

AD  
Name of the Company

Address

City, State Zip

(305)  
Phone

ADRIAN DITIER  
Name of the Contractor

 5388  
Social Security Number

629 CAROLINE ST #3  
Address

KEY WEST, FL. 33040  
City, State Zip

Commission Rate: 22 HRS per hour billed every 2 weeks

Num	Date	Name	Account	Paid Amount	
9485	01/09/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			Contract Labor	-151.00	
			Materials/Supplies/Dump Fees	-33.00	
TOTAL				<u>-184.00</u>	(184.00)
9487	01/12/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			SHAL-Contract Labor-Improv	-1,569.50	
			Contract Labor	-144.00	
TOTAL				<u>-1,713.50</u>	(1,713.50) ✓
9489	01/19/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			Contract Labor	-22.00	
			Contract Labor	-44.00	
TOTAL				<u>-66.00</u>	(66.00)
9497	01/27/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			SHAL-Contract Labor-Improv	-2,385.00	
TOTAL				<u>-2,385.00</u>	(2,385.00) ✓
1001	02/02/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			SHAL-Contract Labor-Improv	-1,612.06	
TOTAL				<u>-1,612.06</u>	(1,612.06) ✓
1003	02/02/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			Improvements	-2,309.98	
TOTAL				<u>-2,309.98</u>	(2,309.98)
9501	02/09/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			Improvements	-2,948.12	
TOTAL				<u>-2,948.12</u>	(2,948.12)
9506	02/15/2007	ADRIAN POITIER	Key West BK Operating - 8460		
			SHAL-Contract Labor-Improv	-556.00	
			Improvements	-826.00	
			Improvements	-666.00	
			Improvements	-644.00	

φ - traced to SHAL project reimbursable cost submission to Nerdby

TOTAL		Improvements	<u>-616.00</u>	
			-3,308.00	(3,308.00)
9507	02/15/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		Supplies/Dump Fees	<u>-172.62</u>	
			-172.62	(172.62)
9510	02/28/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		SHAL-Contract Labor-Improv	<u>-1,501.50</u>	
			-1,501.50	(1,501.50)
9514	02/23/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		SHAL-Contract Labor-Improv	<u>-1,922.00</u>	
			-1,922.00	(1,922.00)
9518	03/02/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		Improvements	<u>-463.50</u>	
			-463.50	(463.50)
9519	03/02/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		SHAL-Contract Labor-Improv	<u>-4,145.00</u>	
		SHAL-Building Supplies-Improv	<u>-42.54</u>	
			-4,187.54	(4,187.54)
9525	03/09/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		SHAL-Contract Labor-Improv	<u>-4,811.00</u>	
			-4,811.00	(4,811.00)
9526	03/09/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		Contract Labor	<u>-88.00</u>	
			-88.00	(88.00)
9531	03/16/2007	ADRIAN POITIER Key West BK Operating - 8460		
TOTAL		SHAL-Contract Labor-Improv	<u>-6,966.50</u>	
			-6,966.50	(6,966.50)
9532	03/23/2007	ADRIAN POITIER Key West BK Operating - 8460		

TOTAL		SHAL-Contract Labor-Improv	<u>-7,618.25</u>	(7,618.25)
9537	03/16/2007	ADRIAN POITIER Key West BK Operating - 8460	-7,618.25	
TOTAL		Contract Labor	<u>-88.00</u>	(88.00)
9538	03/16/2007	ADRIAN POITIER Key West BK Operating - 8460	-88.00	
TOTAL		SHAL-Building Supplies-Improv	<u>-67.50</u>	(67.50)
9540	03/27/2007	ADRIAN POITIER Key West BK Operating - 8460	-67.50	
TOTAL		SHAL-Contract Labor-Improv	<u>-320.00</u>	(320.00)
9543	03/30/2007	ADRIAN POITIER Key West BK Operating - 8460	-320.00	
TOTAL		SHAL-Contract Labor-Improv	<u>-7,698.00</u>	(7,698.00)
		SHAL-Building Supplies-Improv	<u>-69.93</u>	(69.93)
9547	04/06/2007	ADRIAN POITIER Key West BK Operating - 8460	-7,767.93	
TOTAL		SHAL-Contract Labor-Improv	<u>-7,186.00</u>	(7,186.00)
9551	04/06/2007	ADRIAN POITIER Key West BK Operating - 8460	-7,186.00	
TOTAL		Contract Labor	-110.00	
		Contract Labor	-44.00	
		Contract Labor	-22.00	
		SHAL-Building Supplies-Improv	<u>-244.32</u>	
9587	04/13/2007	ADRIAN POITIER Key West BK Operating - 8460	-420.32	
TOTAL		SHAL-Contract Labor-Improv	<u>-7,344.50</u>	(7,344.50)
9588	04/20/2007	ADRIAN POITIER Key West BK Operating - 8460	-7,344.50	
TOTAL		SHAL-Contract Labor-Improv	<u>-8,720.50</u>	(8,720.50)
			-8,720.50	

9591	04/13/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Contract Labor	-154.00	
		Contract Labor	-176.00	
		Supplies/Dump Fees	-21.35	
TOTAL			<u>-351.35</u>	(351.35)
9593	04/20/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Contract Labor	-88.00	
		Improvements	-322.00	
		Materials/Supplies/Dump Fees	-166.26	
TOTAL			<u>-576.26</u>	(576.26)
9628	02/14/2007 ADRIAN POITIER Key West BK Operating - 8460			
TOTAL			0.00	-
9709	04/27/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-7,433.00 ✓	
		SHAL-Building Supplies-Improv	-299.77 ✓	
TOTAL			<u>-7,732.77</u>	(7,732.77)
9726	05/03/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-7,354.00 ✓	
		Building Supplies	-455.42	
TOTAL			<u>-7,809.42</u>	(7,809.42)
9728	05/11/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-6,438.50	
TOTAL			<u>-6,438.50</u>	(6,438.50) <del>⊘</del>
9730	05/11/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-85.96	
TOTAL			<u>-85.96</u>	(85.96)
9732	05/18/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-4,828.50	
		Contract Labor SHAL	-2,539.50	
TOTAL			<u>-7,368.00</u>	(7,368.00)

9734	05/25/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-8,088.00	
		SHAL-Building Supplies-Improv	-156.32	
TOTAL			<u>-8,244.32</u>	(8,244.32)
9739	05/11/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Contract Labor	-44.00	
		Improvements	-340.00	
TOTAL			<u>-384.00</u>	(384.00)
9749	05/18/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Improvements	-722.58	
		Materials/Supplies/Dump Fees	-50.00	
TOTAL			<u>-772.58</u>	(772.58)
9755	05/25/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Contract Labor	-266.00	
TOTAL			<u>-266.00</u>	(266.00)
9767	06/01/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Improvements	-6,761.50	
		SHAL-Building Supplies-Improv	-58.93	
TOTAL			<u>-6,820.43</u>	(6,820.43)
9782	06/08/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-7,753.45	
		Contract Labor SHAL	-2,217.00	
TOTAL			<u>-9,970.45</u>	(9,970.45)
9784	06/15/2007 ADRIAN POITIER Key West BK Operating - 8460			
		SHAL-Contract Labor-Improv	-4,890.00	
		Contract Labor SHAL	-3,775.50	
TOTAL			<u>-8,665.50</u>	(8,665.50)
9806	06/06/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Contract Labor	-288.00	
TOTAL			<u>-288.00</u>	(288.00)

9817	06/15/2007 ADRIAN POITIER Key West BK Operating - 8460			
TOTAL		SHAL-Building Supplies-Improv	<u>-97.05</u>	(97.05)
			-97.05	
9818	06/15/2007 ADRIAN POITIER Key West BK Operating - 8460			
TOTAL		SHAL-Contract Labor-Improv	<u>-594.00</u>	(594.00)
			-594.00	
9822	06/22/2007 ADRIAN POITIER Key West BK Operating - 8460			
TOTAL		SHAL-Contract Labor-Improv	-5,166.80	
		Contract Labor SHAL	<u>-5,660.59</u>	
			-10,827.39	(10,827.39)
9833	06/29/2007 ADRIAN POITIER Key West BK Operating - 8460			
TOTAL		SHAL-Contract Labor-Improv	-12,438.20	
		SHAL-Building Supplies-Improv	<u>-403.07</u>	
			-12,841.27	(12,841.27)
9852	07/06/2007 ADRIAN POITIER Key West BK Operating - 8460			
TOTAL		Building Supplies	-6,155.50	
		Improvements - Labor	-5,285.95	
		Building Supplies	<u>-527.78</u>	
			-11,969.23	(11,969.23)
9867	07/13/2007 ADRIAN POITIER Key West BK Operating - 8460			
TOTAL		SHAL-Contract Labor-Improv	-6,123.00	
		Contract Labor SHAL	-5,753.50	
		Building Supplies	<u>-411.63</u>	
			-12,288.13	(12,288.13)
1000	07/20/2007 ADRIAN POITIER MARINE BK 0518			
TOTAL		Contract Labor SHAL	-7,038.50	
		SHAL-Contract Labor-Improv	-5,793.00	
		Building Supplies	<u>-558.78</u>	
			-13,390.28	(13,390.28)
9884	07/26/2007 ADRIAN POITIER Key West BK Operating - 8460			
		Supplies	<u>-300.00</u>	

2. Progress on Completion of the Grant Activity

HHA: BCCLT's Project Development Team Meeting Minutes

Date: 05/18/07  
 Place: BCCLT's Office  
 Time: 3:30 p.m. – 4:30 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	
Mike Skoglund		X
Adrian Poitier	X	
Wendy Coles	X	X
John Jones		X
Barry Gibson		X
Steve Braddock		
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan		X
Mitch Major		X
Doug Blomberg		X

*Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures*

1. Discussion Item: 307 Julia Street
  - ↳ Building is nearly complete. Painting finished. Plumbing has been inspected.
  - ↳ Lighthouse Electric has begun upstairs electrical work.
  - ↳ Project is on schedule.
  - ↳ Landscaping is complete.

2. Discussion Item: 307 ½ Julia Street  
 Building has started.

3. Discussion Item: 209 Petronia Street
  - ↳ Building Permit submitted May 14<sup>th</sup>. Still pending
  - ↳ Demolition of interior finished.

4. Discussion Item: Expenditures – Receipts Attached
 

Building Permit Fee	\$ 10,117.00
Petty Cash Reimbursements	\$ 541.38
Dumpster Fees	\$ 2,177.26
Builders Risk Ins., Wind Load Reports	\$ 1,913.74
Materials/Supplies	\$ 3,499.72
Labor	<u>\$ 54,800.69</u>

FUNDS EXPENDED AS OF 05/16/07 \$ 73,049.79

Next Meeting: June 19, 2007

Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer-Atanda*  
Signature

DATE: May 21, 2007

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD - CHECK ONE  Monthly: April  
 Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

2. Progress on Completion of the Grant Activity

HHA: BCCLT's Project Development Team Meeting Minutes

Date: 05/19/07  
 Place: BCCLT's Office  
 Time: 3:30 p.m. – 4:30 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	
Mike Skoglund		X
Adrian Poitier	X	
Wendy Coles	X	X
John Jones		X
Barry Gibson		X
Steve Braddock	X	
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan	X	
Mitch Major		X
Doug Blomberg		X

Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures

- Discussion Item: 307 Julia Street
  - ↳ Building is nearly complete. Painting finished. Plumbing has been inspected.
  - ↳ Lighthouse Electric has begun upstairs electrical work.
  - ↳ Project is on schedule.
  - ↳ Landscaping is complete.

- Discussion Item: 307 ½ Julia Street  
 Demolition completed and building has begun.

- Discussion Item: 209 Petronia Street
  - ↳ Building Permit submitted May 14<sup>th</sup>. Pending
  - ↳ Demolition of interior begun..

- Discussion Item: Expenditures – Receipts Attached
 

Building Permit Fee	\$ 10,117.00
Petty Cash Reimbursements	\$ 541.38
Dumpster Fees	\$ 2,177.26
Builders Risk Ins., Wind Load Reports	\$ 1,913.74
Materials/Supplies	\$ 3,499.72
Labor	\$ 54,800.69

FUNDS EXPENDED AS OF 05/16/07 \$ 73,049.79

Next Meeting: May 19, 2007

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer-Atanda*  
Signature

DATE: 05/16/07

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD – CHECK ONE  Monthly: **June**  
 Final: **If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.**

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

2. Progress on Completion of the Grant Activity

HHA: BCCLT's Project Development Team Meeting Minutes

Date: 07/13/07 (This Report reflects a portion of May, all of June, and a portion of July 2007 Receipts)  
 Place: 325 Julia St.  
 Time: 3:30 p.m. – 4:30 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	
Mike Skoglund		X
Adrian Poitier		
Wendy Coles	X	X
John Jones		X
Barry Gibson		X
Steve Braddock		X
Others	Yes	No
Trixie Phelan		X
Mitch Major		X
Doug Blomberg		X

Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures

1. Discussion Item: 307 Julia Street
  - ↳ Building is near completion. Sheet Rock being hung. Interior Painting scheduled.
  - ↳ Lighthouse Electric completed electrical work 307 Julia St.:
  - ↳ Air Conditioning complete at 307 Julia St.
  - ↳ Flooring, appliances and cabinets on order.
  - ↳ Project is on schedule.
  
2. Discussion Item: 307 ½ Julia Street
  - ↳ Building is 75% completed. Electrical is done. Air conditioning scheduled for July 16, 2007.
  - ↳ Roof scheduled for July 23, 2007. Painting scheduled July 24, 2007.
  - ↳ Flooring, appliances and cabinets on order.
  
3. Discussion Item: 209 Petronia Street
  - ↳ Building Permit expanded to include new flooring and roof.
  - ↳ New framing complete. Roof scheduled for July 23, 2007
  - ↳ Project is on schedule
  
4. Discussion Item: Expenditures – Receipts Attached
  - Building Permit Fee \$ 1,597.00
  - Petty Cash Reimbursements \$ 1,826.99
  - Dumpster Fees \$ 1,611.74
  - Contracted Services \$ 61,840.72
  - Materials/Supplies \$ 43,549.41

Labor

\$ 75,570.65

FUNDS EXPENDED AS OF 05/16/07

\$185,996.51 F

Next Meeting: August 10, 2007

Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer-Atanda*  
Signature

DATE: 07/13/07

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD - CHECK ONE  Monthly: July 13, 2007 - August 10, 2007  
 Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

2. Progress on Completion of the Grant Activity

HHA: BCCLT's Project Development Team Meeting Minutes

Date: 08/10/07  
 Place: BCCLT's 307 ½ Julia Street  
 Time: 4:00 p.m. – 5:30 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	X
Mike Skoglund		X
Adrian Poitier	X	
Wendy Coles	X	
John Jones		
Barry Gibson		
Steve Braddock		
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan	X	
Mitch Major		No

*Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures*

1. Discussion item: 307 Julia Street
  - ↳ 307 Julia Street is 80% completed. Landscaping completed. Furniture Ordered.
  - ↳ Roof Completed. Inspections delayed due to shortage of City Inspectors
  - ↳ Painting and flooring installation begun. Appliances & Doors ordered
2. Discussion Item: 307 ½ Julia Street
  - ↳ Drywall and Painting has begun. Landscaping completed
  - ↳ Flooring being installed; Electrical panel and outlets installed
  - ↳ Appliances & Doors ordered
3. Discussion Item: 209 Petronia Street
  - ↳ Framing complete and Drywall begun. Roof Installation begun.
  - ↳ Appliances & Doors ordered. Electrical service & Outlet installation begun

4. Discussion Item: Expenditures – Receipts Attached	
Appliances	\$ 4,257.97
Petty Cash Reimbursements	\$ 1,892.00
Dumpster Fees	\$ 467.00
Materials & Building/Cleaning Supplies	\$35,187.66
Contracted Services	\$42,171.93
Labor	<u>\$68,043.78</u>
FUNDS EXPENDED AS OF 07/13/07	\$152,020.34 F

Next Meeting: Sept. 14, 2007

Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer-Atanda*  
Signature

DATE: 08/13/07

2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD – CHECK ONE  Monthly: August 15, 2007 – September 10, 2007  
 Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

1. Financial

Total Grant Awarded to Lead Agency: \$750,000  
Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
Total Grant Disbursed To Sub-Grantees  
By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

2. Progress on Completion of the Grant Activity

HHA: BCCLT's Project Development Team Meeting Minutes

Date: 09/14/07  
 Place: BCCLT's 307 ½ Julia Street  
 Time: 4:00 p.m. – 5:00 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	
Mike Skoglund		X
Adrian Poitier		X
Wendy Coles		X
John Jones		X
Barry Gibson		X
Steve Braddock	X	
<i>Others</i>	<i>Yes</i>	<i>No</i>
Trixie Phelan		X
Mitch Major		X

*Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures*

1. Discussion item: 307 Julia Street
  - ↳ 307 Julia Street is 95% completed. Furniture delivered for 307 Julia St. UP
  - ↳ Electrical Service and Air Conditioning work 90% completed. Plumbing completed.
  - ↳ Painting and flooring completed. Doors & Appliances installed. Ceiling fans installed.
2. Discussion Item: 307 ½ Julia Street
  - ↳ Unit is 95% completed. Drywall and Painting completed. Plumbing completed.
  - ↳ Flooring, doors, and appliances installed. Ceiling fans installed.
  - ↳ Electrical and Air Conditioning service 95% completed.
3. Discussion Item: 209 Petronia Street
  - ↳ Unit is 95% completed. Electrical Inspection pending.
  - ↳ Appliances, doors, and air conditioners installed.
  - ↳ Plumbing completed.

4. Discussion Item: Expenditures – Receipts Attached

Fixtures (Fans/Lights)	\$ 181.15
Petty Cash Reimbursements	\$ 999.34
Dumpster Fees	\$ 2,369.08
Contracted Services	\$15,740.75
Labor	\$34,436.60
<b>FUNDS EXPENDED AS OF 08/15/07</b>	<b>\$ 53,726.92</b> F

Next Meeting: Oct. 18, 2007

Prepared by: Norma Jean Sawyer-Atanda BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer- Atanda

*Norma Jean Sawyer-Atanda*  
Signature

DATE: 09/17/07

**2006 HOMELESS HOUSING ASSISTANCE GRANT  
MONTHLY REPORT**

LEAD AGENCY: Southernmost Homeless Assistance League \_\_\_\_\_

REPORT PERIOD – CHECK ONE

Monthly: September 13, 2007 – December 31, 2007

Final: If this is your final report, the lead agency shall attach an evaluation of the grant's effectiveness in achieving the intended purposes.

**1. Financial**

Total Grant Awarded to Lead Agency: \$750,000  
 Total Grant Received By Lead Agency: \$750,000  
(Grant draws from the Department by the Lead Agency)  
 Total Grant Disbursed To Sub-Grantees  
 By Lead Agency to Date: \$0

Provide a line item review of the grant funds received and disbursed to sub-grantees for each activity or use contained in your Homeless Housing Assistance Grant applications.

<u>HHAG Activity/Use</u>	<u>Original Amount Budgeted</u>	<u>Grant \$ Received by Sub-grantee</u>	<u>Grant \$ (to date) Expended by Sub-grantee</u>	<u>Balance Due to the Sub-grantee</u>
<u>Project Development</u>	<u>\$712,500</u>	_____	_____	_____

2. Progress on Completion of the Grant Activity

HHA: BCCLT's Project Development Team Meeting Minutes

Date: 12/10/07  
 Place: BCCLT's 305 Julia Street  
 Time: 4:00 p.m. – 5:00 p.m.

Members Present:

Member	Yes	No
Norma Jean Sawyer-Atanda	X	
Mike Skoglund		X
Adrian Poitier	X	
Wendy Coles		X
John Jones		X
Barry Gibson		X
Steve Braddock		X
Others	Yes	No
Trixie Phelan		X
Mitch Major		X

Purpose: Review of Progress of projects at 307, 307 ½ Julia, 209 Petronia St., & Expenditures

- Discussion item: 307 Julia Street, new address 303 Julia St., Unit 101 and Unit 201
  - ↳ 303 Julia Street is 100% completed. Unit 101 is a three-bedroom family unit; Unit 201 is 3- one bedroom units (SRO). Unit 101 Family of 4 moved in December 10, 2007. Unit 201 tenants moved in #1- 12/10/07, #2-12/27/2007, and #3-12/27/07.
  - ↳ All Lien Releases for project are attached. All Final Approvals attached.
- Discussion Item: 307 ½ Julia Street, new address is 307 Julia Street
  - ↳ Unit is 100% completed. Unit is a two-bedroom family unit.
  - ↳ Certificate of Occupancy issued Dec. 10, 2007. Copy attached.
  - ↳ Family of 2 moved in December 14, 2007.
- Discussion Item: 209 Petronia Street
  - ↳ Unit is 100% completed.
  - ↳ Family of 2 moved in on October 16, 2007.

4. Discussion Item: Expenditures – Receipts Attached

Electrical Reinspection Fee – 209 Petronia St.	\$ 25.00
Add'l Building Permit Fee - 209 Petronia St.	\$ 525.00
Dumpster Fees - 307 Julia St.	\$1,310.75
Wind & Flood Insurance for 303 Julia St.	\$4,260.00
Contracted Services	\$48,412.15
Labor (\$11,522.73) & Materials (\$14,646.50)	\$26,169.23
<b>FUNDS EXPENDED AS OF 08/15/07</b>	<b>\$106,871.36</b>

*Correct total should be \$80,702.13*

Prepared by: Norma Jean Sawyer BCCLT's Executive Director

3. Performance Measures

The project is ahead of schedule.

Activity	Number of Homeless Housing Units Committed	Number of Homeless Housing Units Occupied for the Month	Number of Homeless Housing Units Occupied During the Grant Period (Year to date)	Describe Homeless Population Housed (Adults, Families, Children, Youth, Veterans, etc.)
Permanent Housing	10	0	0	Adults, Families, Women with children

Activity	Number of Homeless Served Year to Date	Housing Status of Person Served Prior to Occupying the Project Unit								
		Emerg. Shelter	Trans. Housing	Street	My Own Home	Discharged from Jail/Hospital Treatment Facility	Friend or Relative's Home	Motel	Not able to Determine	Other

Enter Aggregate Totals Only (No individual client level data shall be reported).

CERTIFICATION OF ACCURACY

Sub-Grantee CONTACT: Norma Jean Sawyer

*Norma Jean Sawyer*  
Signature

DATE: 01/14/07

# Appendix G

# CHANGE IN TERMS AGREEMENT

<b>Principal</b> \$275,000.00	<b>Loan Date</b> 04-11-2009	<b>Maturity</b> 04-11-2012	<b>Loan No</b> 1707000146	<b>Call / Coll</b> 03	<b>Account</b>	<b>Officer</b> ***	<b>In</b>
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References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.  
326 JULIA STREET  
KEY WEST, FL 33040

**Lender:** Centennial Bank  
Key West Roosevelt Branch  
2514 N Roosevelt Blvd  
Key West, FL 33040

**Principal Amount: \$275,000.00**

**Date of Agreement: April 11,**

**DESCRIPTION OF EXISTING INDEBTEDNESS.** Promissory Note # 1707000146 dated 10/11/07 in the original amount of \$275,000.00. **DESCRIPTION OF COLLATERAL.** Real Property located at 303, 305, 307 JULIA STREET, KEY WEST, FL 33040. Lender and Grantor entered into a Mortgage dated October 11, 2007, "The Mortgage" which has been recorded in Monroe County, State of Florida, as to Filed of record on October 11, 2007 at Book 2326 Page 1733, of the Official Public Records of Monroe County, Florida. The Mortgage to with all modifications, amendments and extensions thereof, if any, shall be collectively referred to herein as, the "Mortgage".

**DESCRIPTION OF CHANGE IN TERMS.** Renewal of Loan # 1777000242 to extend the maturity date. This Change in Terms Agreement extends or renews that certain Promissory Note dated October 11, 2007, in the original principal amount of \$275,000.00, and does not in any way the obligation renewed or extended hereunder. Florida documentary stamp taxes in the amount of \$ 962.50, have been paid original promissory note renewed hereunder, a copy of which is attached hereto.

**PROMISE TO PAY.** BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC. ("Borrower") promises to pay to Centennial ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Seventy-five Thousand & 0 Dollars (\$275,000.00), together with interest on the unpaid principal balance from April 11, 2009, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 7.000% per annum based on a year of 360 days, until paid in full. The rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan regular payments of \$1,961.67 each and one irregular last payment estimated at \$263,614.69. Borrower's first payment is due May 11, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on April 11, 2011. will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any late charges; then to any accrued unpaid interest; and then to principal. Borrower will Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless a to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send to payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may not to send to losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. All w communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment const "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount mi mailed or delivered to: Centennial Bank, Key West Roosevelt Branch, 2514 N Roosevelt Blvd, Key West, FL 33040.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$2 whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this loan shall be increased to 17.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limit under applicable law.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the indebtedness.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or ability to perform Borrower's obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the indebtedness. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this section of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party who disputes the validity of, or liability under, any Guaranty of the Indebtedness evidenced by this Note.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Agreement and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Agreement if Borrower does not pay. Borrower will pay Lender the amount of those costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorney fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Florida.

CHANGE IN TERMS AGREEMENT (Continued)

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Monroe County, State of Florida.

DISHONORED ITEM FEE Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check is preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower opens in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and set rights provided in this paragraph.

ARBITRATION. Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, with respect to any Collateral, writ of attachment or imposition of a receiver; or exercising a power of sale under any deed of trust or mortgage; obtaining judgment concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction, where applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Notwithstanding to this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers, endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

INTEREST RATE GOVERNING LAW PROVISION. This Note shall be governed by and construed in accordance with the laws of the State where the lender is located and the laws of the United States of America. The maximum interest rate applicable to the loan evidenced by this Note shall be governed by the laws of the United States of America, including 12 U.S.C. Section 1831u.

ADDRESS ATTESTATION. An exhibit, titled "ADDRESS ATTESTATION," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

SUCCESSORS AND ASSIGNS. Subject to any limitations stated in this Agreement on transfer of Borrower's interest, this Agreement shall bind upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a party other than Borrower, Lender, without notice to Borrower, may deal with Borrower's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Borrower from the obligations of this Agreement or liability under the Indebtedness.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Centennial Bank PO Box 986 Conway, AR 72033.

MISCELLANEOUS PROVISIONS. This Agreement is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Agreement on its demand. If any part of this Agreement cannot be enforced, this fact will not affect the rest of the Agreement. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge or collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of the loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or endorser shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement shall be joint and several.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.

By: Norma Jean Sawyer, EXEC DIRECTOR of BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.

By: Cecil Bain, PRESIDENT of BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.

By: Glenwood Lopez, TREASURER of BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.

LENDER:

CENTENNIAL BANK

Mark Fodora, Loan Officer

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call Cos.	Account	Officer	Initials
\$275,000.00	04-11-2008	04-11-2009	1707000148	33	4**	REB	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*" has been omitted due to text length limitations.

**BORROWER:** Bahama Conch Community Land Trust of Key West, Inc.  
325 Julia Street  
Key West, FL 33040

**Lender:** Marine Bank  
A Florida Corporation  
11280 Overseas Highway  
Marathon, FL 33060

**Principal Amount:** \$275,000.00

**Initial Rate:** 6.000%

**Date of Note:** April 11, 2008

**PROMISE TO PAY.** Bahama Conch Community Land Trust of Key West, Inc. ("Borrower") promises to pay to Marine Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Seventy-five Thousand & 00/100 Dollars (\$275,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT.** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on April 11, 2009. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning June 11, 2008, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks known as the Wall Street Journal Prime Rate (the "Index"). The index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The index currently is 5.000% per annum. The interest rate to be applied to the unpaid principal balance during this Note will be at a rate equal to the index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 6.000% per annum. **NOTICE:** Under no circumstances will the effective rate of interest on this Note be less than 6.000% per annum or more than (except for any higher default rate shown below) the lesser of 18.000% per annum or the maximum rate allowed by applicable law.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Marine Bank, A Florida Corporation, 11280 Overseas Highway, Marathon, FL 33060.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$6.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Foreclosure Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or foreclosure proceeding and deposits with Lender monies or reserve or bond for the dispute, in an amount determined by Lender, in its sole discretion, as being an adequate

**Events Affecting Guarantor.** Any of the preceding events occur with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES/ EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Monroe County, State of Florida.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRAs or 401(k) plans.

law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**COLLATERAL.** Borrower acknowledges this Note is secured by Open-End Mortgage and Assignment of All Rents, all dated October 11, 2007, in favor of Marine Bank f/k/a Marine Bank of the Florida Keys.

**LINE OF CREDIT.** This Note evidences a revolving line of credit. Advances under this Note may be requested only in writing by Borrower or as provided in this paragraph. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority; James Marquardt, President of Bahama Conch Community Land Trust of Key West, Inc. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

**LOAN COMMITMENT.** The Loan Commitment letter dated September 14, 2007, is incorporated herein by reference and shall serve as part of the Loan Agreement throughout the term of this loan and any renewals, modifications and/or extensions thereof.

**DOCUMENTARY STAMP TAX PAID.** Documentary stamp tax has been paid for Note No. 1707000146, in the amount of \$882.60, on Mortgage dated October 11, 2007, recorded October 17, 2007, in Official Records Book 2328, Page 1733, of the Public Records of Monroe County, Florida.

**PRIOR NOTE.** This Note evidences renewal of Note No. 1707000146 dated October 11, 2007, in the original principal amount of \$275,000.00 and is given in replacement, renewal and in extension of but not in satisfaction of said Note.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.**

By:   
James Marquardt, President of Bahama Conch  
Community Land Trust of Key West, Inc.

## LOAN REQUEST SUMMARY

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initial
\$275,000.00	10-11-2007	04-11-2008	1707000146	03		REB	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Bahama Conch Community Land Trust of Key West, Inc. A Florida Non-profit Corporation  
325 Julia Street  
Key West, FL 33040

**Lender:** Marine Bank  
A Florida Corporation  
11290 Overseas Highway  
Marathon, FL 33050

### REVOLVING LINE OF CREDIT (Variable Rate)

	Financed	In Cash
<b>AMOUNT REQUESTED:</b>	\$275,000.00	
<b>PREPAID FINANCE CHARGES:</b>	0.00	
<b>SECURITY INTEREST CHARGES:</b>		
Tax Service - Landamerica		58.00
Flood Search and Service - Landamerica		18.50
Recording Fees		105.00
Appraisal Fees		550.00
Title Insurance - Chicago Title		1,450.00
Title Endorsements - Chicago Title		170.00
Title Search Fee - Chicago Title		150.00
Future Release		18.50
Document Preparation Fee		250.00
Loan Fee		1,375.00
Documentary Stamps		962.50
Intangible Tax		550.00
<b>NOTE AMOUNT:</b>	\$275,000.00	\$5,657.50

**PAYMENT CALCULATION:**

Interest Method: 365/360  
 Disbursement Date: 10-11-2007  
 First Int Payment Date: 11-11-2007  
 Due Date: 04-11-2008  
 Int Payment Period: Monthly  
 Variable Interest Rate: 7.750%  
 Credit Insurance: None

**Payment Schedule.** Borrower's payment schedule consists of the following: 5 monthly consecutive payments, beginning November 11, 2007, with interest calculated on the unpaid principal balances at an interest rate based on the the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks known as the Wall Street Journal Prime Rate (currently 7.750%), resulting in an initial interest rate of 7.750%, and one payment of \$275,917.62 on April 11, 2008, with interest calculated on the unpaid principal balances at an interest rate based on the the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks known as the Wall Street Journal Prime Rate (currently 7.750%), resulting in an initial interest rate of 7.750%. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that the Index does not change; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under the Note.

APR 7.858%	FINANCE CHARGE \$5,416.92	AMOUNT FINANCED \$275,000.00	TOTAL OF PAYMENTS \$280,416.92
---------------	------------------------------	---------------------------------	-----------------------------------

e means estimate

**COLLATERAL:** Real Estate Collateral.

**TRANSACTION NUMBER:** 1152

**NOTICE:** This Loan Request Summary is for informational purposes only and does not obligate Lender in any way to make this loan or any other loan to Borrower. The fees and charges listed above are estimates only; and, if a loan is made, different or additional fees and charges may be imposed.

**RECORDATION REQUESTED BY:**

Centennial Bank  
Key West Roosevelt Branch  
2514 N Roosevelt Blvd  
Key West, FL 33040

Doc# 1749471 07/07/2009 9:42AM  
Filed & Recorded in Official Records of  
MONROE COUNTY DANNY L. KOLHAGE

**WHEN RECORDED MAIL TO:**

FDSI  
PO Box 906  
Conway, AR 72033

Doc# 1749471  
Bk# 2421 Pg# 246

**SEND TAX NOTICES TO:**

Centennial Bank  
Key West Roosevelt Branch  
2514 N Roosevelt Blvd  
Key West, FL 33040

TRACKED

DATE: 7/30/09

RECEIVED  
JUL 29 2009

**This Modification of Mortgage prepared by:**

Name: Sharon Bushong, Loan Doc Prep Specialist  
Company: FDSI  
Address: PO BOX 906, CONWAY, AR 72033

**MODIFICATION OF MORTGAGE**

**THIS MODIFICATION OF MORTGAGE** dated April 11, 2009, is made and executed between **BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.**, whose address is 325 JULIA ST, KEY WEST, FL 33040-7511 (referred to below as "Grantor") and Centennial Bank, whose address is 2514 N Roosevelt Blvd Key West, FL 33040 (referred to below as "Lender").

**MORTGAGE.** Lender and Grantor have entered into a Mortgage dated October 11, 2007 (the "Mortgage") which has been recorded in MONROE County, State of Florida, as follows:

Lender and Grantor have entered into a Mortgage dated October 11, 2007, "The Mortgage" which has been recorded in Monroe County, State of Florida, as follows: Filed of record on October 11, 2007 at Book 2326 Page 1733, of the Official Public Records of Monroe County, Florida. The Mortgage together with all modifications, amendments and extensions thereof, if any, shall be collectively referred to herein as, the "Mortgage".

**REAL PROPERTY DESCRIPTION.** The Mortgage covers the following described real property located in MONROE County, State of Florida:

On the Island of Key West, known on William A. Whitehead's map delineated in February, A.D. 1829, as a part of Tract Ten (10) but now better known as Lot Ten (10) of Square One (1) of said Tract Ten (10) according to Charles W. Tilt's diagram of said Tract Ten (10) recorded in Plat Book No. 1 on Page 40, Monroe County, Records. Said lot commences at a point on Julia Street fifty (50) feet and Three (3) inches from the corner of Julia Street in a Northeasterly direction Fifty (50) feet and Three (3) inches; thence at right angles in a Northwesterly direction Seventy-nine (79) feet and Four (4) inches; thence Southwesterly and at right angles to the last mentioned line Fifty (50) feet and Three (3) inches; thence at right angles in a Southeasterly direction Seventy-nine (79) feet and Four (4) inches back to the Point of Beginning.

The Real Property or its address is commonly known as 303, 305, 307 JULIA STREET, KEY WEST, FL 33040. The Real Property tax identification number is 1026417.

**MODIFICATION.** Lender and Grantor hereby modify the Mortgage as follows:

This Modification Agreement is executed in connection with, and is supplemented by, that certain Change in Terms Agreement or other document herewith, the terms and provisions of which are incorporated herein and made a part hereof as if set forth herein word for word.

**CONTINUING VALIDITY.** Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Mortgage does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

**MATURITY DATE.** The maturity date of the obligation or indebtedness secured hereby shall be extended to April 11, 2012.

MODIFICATION OF MORTGAGE  
(Continued)

Loan No: 1707000146

Page 2

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED APRIL 11, 2009.

GRANTOR:

Doc# 1749471  
Bk# 2421 Pg# 247

BAHAMA CONCH COMMUNITY LAND TRUST OF KEY WEST, INC.

By: *Norma Jean Sawyer*  
NORMA JEAN SAWYER, EXEC DIRECTOR of BAHAMA CONCH COMMUNITY  
LAND TRUST OF KEY WEST, INC.

By: *Cecil Bain*  
CECIL BAIN, PRESIDENT of BAHAMA CONCH COMMUNITY LAND TRUST OF  
KEY WEST, INC.

By: *Glenwood Lopez*  
GLENWOOD LOPEZ, TREASURER of BAHAMA CONCH COMMUNITY LAND  
TRUST OF KEY WEST, INC.

WITNESSES:

x *[Signature]*

x *[Signature]*

LENDER:

CENTENNIAL BANK

x *Mark Todaro*  
Mark Todaro, Loan Officer

# Appendix H

## EXECUTIVE DIRECTOR'S REPORT

BCCLT Board of Directors Meeting  
October 17, 2007  
6:30 P.M.  
325 Julia Street  
Key West, FL 33040

### A. STAFF ORIENTATION

Since the very successful Annual Meeting of September 18, 2007 and the addition of our two new staff members, each of my (18Hr.) days have been extraordinarily full.

I've taken staff to meet all of the essential city and county personnel that I have been working with as well as introducing them to all of the suppliers and other businesses we have accounts with or have working relationships with. I'm thankful that I can finally share the load "growing" BCCLT up to the organization that it has become and **will be** with their competent business experience as well as their building (houses and people) of housing developments and financial resources for non-profit organizations. I value and respect their wisdom and guidance as they help us take BCCLT to the next level.

On the State and National level, I have introduced staff to State of Florida personnel and other city personnel to get a perspective on how housing programs and development is accomplished at the state level as well as in other communities in Florida.

Mr. Winstead and I attended the National Community Land Trust Network Annual Meeting from October 9<sup>th</sup> – 12<sup>th</sup> in Minneapolis, MN. He was introduced to other CLT personnel and given a better understanding of the Community Land Trust movement, and he was introduced to potential funders as well. I was also re-elected to another 2 Year term on the national Board of Directors and we will take a proactive role on the national level mandated by our national membership to protect land and communities of ethnic and cultural people who are now facing gentrification. A copy of the Mission, Goals, and Core Principles are included with this report and I would like the board to consider adopting them as well.

### B. REFERENDUM UPDATE

As directed by the Board Referendum Committee on Sunday, October 14<sup>th</sup>, staff has prepared the PAC Organization application and has bank signature cards to open up the special account at Marine Bank. Wheeler Winstead has agreed to give the first donation.

We have ordered stickers, signs, 30 t-shirts, and the design for the flyer and mailers to the absentee voters. The bill will be approximately \$3,500. We are expecting the newspaper ad to be ready on Thursday, October 18<sup>th</sup> to be submitted for the Sunday Key West Citizen as well as to the Keynoter and Conch Color. J. T. Thompson of Solares Hill

Design group is donating his time to create the newspaper ad for us and he suggested that we buy a smaller space and to do it in black and white to save substantial dollars. We will have a price for this cost by Friday. The committee plans to meet again on October 18<sup>th</sup> to discuss funding development for the ad campaign, Goombay volunteers, the door to door strategy, placement of signs, and poll volunteers.

Recently, both Bob Kelly and myself have gone on the air promoting the referendum, set up by Pres. Marquardt and Arida Wright. We've asked members and tenants to write newspaper articles for the newspaper as well.

C. SHAL PROJECT UPDATE

1. 209 Petronia Street is completed and rented. Tenant is in the process of moving in today.
2. 307-307 ½ Julia Street electrical is 95% complete. The mechanical systems (air conditioning) failed inspection today, Curry Air conditioning was notified and given the list of items that must be addressed before it can pass inspection.
3. Staff is planning to move all BCCLT operations to 307 ½ Julia Street as planned by your Executive Director. We expect the move will begin after the Nov. 6<sup>th</sup> election.
4. The Monroe County Board of Commissioners approved a resolution that allows BCCLT to incur 307-307 ½ Julia Street that would fulfill our obligation to the SHAL grant and that would allow BCCLT to use some of the proceeds from the \$275,000 Marine Bank Loan for pre-development and development cost for our State Green Homeownership Project.

D. GRANT FUNDING

BCCLT was awarded a \$50,000 Compassion Fund Capacity Building grant written pro bono by our Consultant Wheeler Winstead. The grant was written in April and will be modified to replace training provider "Legacy Community Initiative Consultants to MTEC, LLC.

The grant is to provide technical assistance and capacity building for BCCLT as well as (collaborations) with other community faith-based and non-profit organizations.

E. WEBSITE

Staff met with Board Member Jethon Williams to discuss updating and posting current info on the website bahamaconchclt.org. The annual meeting report will be uploaded today followed by updates on the upcoming referendum.

Submitted by: Norma Jean Sawyer-Atanda  
Norma Jean Sawyer-Atanda, Executive Director

# **Appendix I**



BAHAMA CONCH  
COMMUNITY  
LAND TRUST OF  
KEY WEST INC.

325 Julia Street, Key West, Florida 33040  
Telephone: 305-294-0884  
Fax: 305-294-8901  
www.bcclt.org

July 13, 2007

Commissioner Clayton Lopez  
City of Key West, District Six  
111 Olivia Street  
Key West, FL 33040

RE: Documentation for \$60,000 TIF Funding Request

Dear Commissioner Lopez,

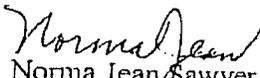
Attached are copies of contracts, invoices, and checks related to BCCLT's request for \$60,000 to be used for the development of properties at 307 and 307 1/2 Julia Street. The breakdown for the reimbursements and payments due are as follows:

Dan Ace Roofing, Inc.	\$ 5,600.00 (Balance Due)
Lighthouse Electric	\$ 7,040.35 (Reimbursement)
Manley deBoer	\$16,023.09 (Reimbursement)
Lighthouse Electric	\$12,748.77 (Reimbursement)
S.B. Painting & Grounds Maint., Inc.	\$ 9,850.00 (Reimbursement)
Nipper's Painting, Inc.	<u>\$ 8,000.00</u> (Balance Due)

TOTAL REQUEST: \$59,262.21

If you need any further documentation, feel free to call me at (305) 304-6765.

Thanks for your support!

  
Norma Jean Sawyer-Atanda  
Executive Director

Attachments: 6

CC: City Manager

9835

BAHAMA CONCH COMMUNITY  
LAND TRUST OF KEY WEST, INC.

325 JULIA STREET  
KEY WEST, FLORIDA 33040

KEY WEST BANK

63-9203/670

June 27, 2007

PAY  
TO THE  
ORDER OF

*Man-Ace Roofing, Inc.*

\$2,700.00

*Two thousand seven hundred and 00/100*

DOLLARS

*Man-Ace Roofing, Inc.  
571 Park Drive  
Key West, FL*

*Norman R. Laurenceau*  
AUTHORIZED SIGNATURE

MEMO *Roofing for 307 1/2 Julia St.*

⑈009835⑈ ⑈067092035⑈ 0000008460⑈

BAHAMA CONCH COMMUNITY

*6/27/07 Bill*

*Heponit  
Roofing as per Contract - \$8,300  
307 1/2 Julia St.  
SHAL Project*

9835

\$2,700.00

*Bal due: \$5,600.00*

\$2,700.00

BAHAMA CONCH COMMUNITY

*6/27/07 Bill*

*Heponit  
Roofing as per Contract \$8,300  
307 1/2 Julia St.  
SHAL Project*

9835

\$2,700.00

\$2,700.00

Security features. Details on back.



DAN-ACE ROOFING INC.  
571 PARK DRIVE  
KEY WEST, FLORIDA  
33040

JUNE 21, 2007

CERTIFICATE OF COMPETENCY  
STATE OF FLORIDA  
RC 0034111

PHONE (305) 294-2380  
FAX LINE (305)-294-8420

LICENSED AND INSURED

CERTIFICATE OF COMPETENCY  
MONROE COUNTY  
RC 492

**THIS IS A BID PROPOSAL FOR KINKY CONSTRUCTION**

**JOB ADDRESS: 307 JULIA STREET KEY WEST, FLORIDA, MONROE COUNTY**

TO THE NEWLY CONSTRUCTED AREA: DAN-ACE ROOFING, INC. PROPOSES TO INSTALL 1 PLY OF TITANIUM-UDL SYNTHETIC ROOFING UNDERLAYMENT NAILED DOWN TO CITY CODE.

NEXT A 26 GAGE GALVALUME METAL EVES DRIP TO THE PERIMETERS NAILED DOWN.

WE WILL INSTALL ALL FLASHING AS NECESSARY AS SPECIFIED BY CODE.

THEN A 26 GAGE GALVALUME METAL V-CRIMP ROOFING SYSTEM WILL BE INSTALLED AND SCREWED DOWN USING SILVER SENTRON SCREWS AS FASTENERS.

LAST A 26 GAGE GALVALUME METAL RIDGE CAP WILL BE INSTALLED AND SCREWED DOWN USING SILVER SENTRON SCREWS.

WE WILL SUPPLY THE NECESSARY PERMIT, AND EACH STAGE OF OUR WORK WILL BE IN COMPLIANCE WITH CITY CODE. WE WILL CLEAN THE GROUNDS OF ANY FALLEN ROOF DEBRIS AND WHEN OUR WORK IS COMPLETED WE WILL HAUL AWAY AND PROPERLY DISPOSE OF.

WE WILL NEED ACCESS TO AN ELECTRIC OUTLET, AND A DAY TIME PHONE NUMBER. DAN-ACE ROOFING GUARANTEES THE CRAFTSMANSHIP OF OUR NEW WORK FOR FIVE YEARS.

PLEASE READ, AND SIGN THIS BID PROPOSAL AND RETURN. WHEN THIS PROPOSAL SIGNED SHALL BECOME A LEGAL CONTRACT AGREEMENT BETWEEN BOTH PARTIES INVOLVED, OR THEIR AGENTS AND YOU AGREE WITH THE TERMS OUTLINED ABOVE AND BELOW. ALL WORK UNDER CONTRACT WITH DAN-ACE ROOFING INC., IS TO BE SECURED WITH A DEPOSIT AND THE SIGNED CONTRACT RETURNED BEFORE WE CAN APPLY FOR THE BUILDING PERMIT OR ORDER ANY MATERIALS. THE BALANCE IS TO BE PAID IN FULL UPON COMPLETION OF OUR WORK.

OUR PAYMENT POLICY STATES, THE BALANCE DUE IS TO BE PAID ON COMPLETION OF OUR WORK IF YOUR CLIENT OR YOU THE HOMEOWNER IS LIVING OUTSIDE THE CITY OF KEY WEST, WE ASK THAT YOU HAVE A CHECK FORWARD TO SOMEONE IN THE AREA THAT CAN REPRESENT HIM/HER/OR YOU THE HOME OWNER, SO THAT WHEN OUR WORK IS COMPLETED, THEY CAN INSPECT THE JOB AND ISSUE A CHECK WITHOUT DELAY.

THE SIZE NAILS WE ARE REQUIRED TO USE WILL COME THROUGH. IF YOU HAVE EXPOSED CEILINGS PLEASE NOTIFY US AT ONCE. 1/2" PLYWOOD CAN BE INSTALLED BY A GENERAL CONTRACTOR AT AN ADDITIONAL COST TO YOU, WE WILL NOT BE HELD RESPONSIBLE FOR DAMAGES IF NOT NOTIFIED.

DUE TO THE NATURE OF OUR WORK HOMEOWNERS, TENANTS, OR AGENTS, MUST ASSUME THE RESPONSIBILITY OF REMOVING VEHICLES, SCREENS, OR AWNINGS. CABLE, TELEPHONE LINES ETC., COVER POOLS, PONDS, SHRUBS, WALK WAYS, DECKING OR ALL OTHER OBJECTS THAT MAY BE DAMAGED DURING THE REMOVAL OR REPLACEMENT, PATCHING OR PAINTING OF THE ROOFING SYSTEM. IF HOT ASPHALT DRIPS ON TO THE WALLS OR STUCCO, WALKWAY, DECKING, SHRUBS, LAWN ETC., WE WILL REMOVE THE TAR TO THE BEST OF OUR ABILITY. IT WILL BE YOUR RESPONSIBILITY TO TOUCH UP, REPAINT OR REPLACE AT YOUR OWN COST. WE WILL NOT BE HELD RESPONSIBLE FOR CRACKS TO DRIVEWAYS, CURBS, OR DAMAGE TO TREES. IF YOU HAVE ROTTED ROOF SHEATHING, WE WILL BE AS CAREFUL AS POSSIBLE, NOT TO FALL THROUGH. SHOULD THIS HAPPEN, ANY DAMAGE THAT MAY OCCUR BEYOND THE EXTERIOR ROOF, WILL NOT BE THE RESPONSIBILITY OF DAN-ACE ROOFING INC., TO REPAIR OR REPLACE. EXAMPLE: DAMAGE TO THE RAFTERS, CEILING, PLASTER OR PAINT, FANS, LIGHT FIXTURES, DUST OR DEBRIS FILTERING THROUGH, ETC.

DUE TO THE RAPID CHANGES IN THE COST OF MATERIALS, THIS PROPOSAL WILL BECOME VOID IF NOT SIGNED WITHIN 30 DAYS OF DATE.

IF THE UNDERSIGN, DO SOLEMNLY SWEAR I AM MENTALLY AND PHYSICALLY COMPETENT, AT THE TIME OF SIGNING THIS LEGAL DOCUMENT

TOTAL	\$8,300.00
DEPOSIT	\$2,700.00
BALANCE	\$5,600.00

pd # 9835  
6/27/08

MR.

MRS. Anna Jean Sanchez-Atende 6/27/06 (305) 294-0884

OWNERS OR AGENT SIGNATURE DATE PHONE

PLEASE SIGN DATE AND RETURN ONE COPY.

Daniel Acevedo  
DANIEL ACEVEDO  
OWNER/PRESIDENT DAN-ACE ROOFING INC.

BAHAMA CONCH COMMUNITY  
LAND TRUST OF KEY WEST, INC.  
325 JULIA STREET  
KEY WEST, FLORIDA 33040

KEY WEST BANK

June 27, 2007

63-9203/670

983:

PAY  
TO THE  
ORDER OF

*Lighthouse Electric*

\$7,040.35

*Seven thousand forty and 35/100*

DOLLARS

*Lighthouse Electric  
908 Francis Street  
Key West, FL 33040*

*Norman R. Lawrence*  
AUTHORIZED SIGNATURE

MEMO

*307 Julia St Electric Service SHAR Project*

⑈009832⑈ ⑆067092035⑆ 0000008460⑈

BAHAMA CONCH COMMUNITY

*6/27/07 Bill*

*Electric Service  
307 Julia St.  
SHAR Project  
Inv. 1734*

9832

*\$7,040.35*

*cleared bank  
on 6/29/07*

BAHAMA CONCH COMMUNITY

*6/27/07 Bill*

*Electric Service  
307 Julia St.  
SHAR Project*

9832

*\$7,040.35*

*\$7,040.35*

LIGHTHOUSE ELECTRIC

900 Francis St,  
Key West, FL 33040

Invoice

Date	invoice #
6/20/2007	1734

307

Bill To
BCCLT 347 JULIA ST. KEY WEST, FL

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
17.5	MATT'S HOURS WORKED W/E6/10		
20	HOURS WORKED BY STEVE6/10	65.00	1,137.50
27	MATT'S HOURS WORKED W/E6/17	45.00	900.00
14.5	HOURS WORKED BY DENNIS W/E6/17	65.00	1,755.00
30.5	HOURS WORKED BY STEVE6/17	60.00	870.00
1	HOURS WORKED BY STEVE6/24	45.00	1,372.50
1	MATT'S HOURS WORKED W/E6/24	45.00	45.00
	subtotal	65.00	65.00
1	5% LABOR DISCOUNT		6,145.00
	subtotal	-307.25	-307.25
500	TEL TV WIRE		-307.25
18	recessed insulated	0.30	150.00
250	#12-3 WITH GROUND ROMEX CABLE	12.0125	216.23
1	HALO 5.5" RECESSED CAN INSULATED	0.60	150.00
100	#12-2 STEEL ROMEX CONN	23.00	23.00
1	JAR OF STAPLES	0.3016	30.16
50	5/8 RAISED I GANG MUD RING	10.00	10.00
200	3/4' PVC	0.85	42.50
500	RED SCOTCH LOCK	0.25688	51.38
1,100	#12-2 WITH GROUND ROMEX CABLE	0.14686	73.43
1	FASTENERS	0.32	352.00
	subtotal	20.00	20.00
	TAXES ALREADY PAID	7.50%	1,118.70
			83.90
		<b>Total</b>	<b>\$7,040.35</b>

*pd ckt # 9832  
6/27/07*

BAHAMA CONCH COMMUNITY  
LAND TRUST OF KEY WEST, INC.

325 JULIA STREET  
KEY WEST, FLORIDA 33040

KEY WEST BANK

63-9203/670

July 10, 2007

985

PAY  
TO THE  
ORDER OF

*Manly de Boer*

\$16,023.09

*fifteen thousand twenty three and 09/100*

DOLLARS

*Manly de Boer  
1109 Eaton Street  
Key West FL 33040*

*[Signature]*  
AUTHORIZED SIGNATURE

MEMO Acct. # 0056960

⑈009850⑈ ⑆067092035⑆ 0000008460⑈

BAHAMA CONCH COMMUNITY

*7/10/07 Bill*

*Materials + Supplies*

985

\$16,023.09

\$16,023.09

BAHAMA CONCH COMMUNITY

*7/10/07 Bill*

*Materials/Supplies*

9850

\$16,023.09

\$16,023.09



# TWO LOCATIONS: KEY WEST & BIG PINE KEY

# STATEMENT

STATEMENT DATE: 06/30/07

ACCOUNT NUMBER: 0056960

PAGE: 1

SOLD TO: BAHAMA CONCH COMM LAND TRUST/  
325 JULIA ST  
KEY WEST FL 33040

\$ 16,023.09  
AMOUNT REMITTED

Please include this portion with your remittance. Thank You!

DATE	REFERENCE	DESCRIPTION	CHARGE	CREDIT	BALANCE
06/01/07	0425522-IN	104933 ST# 1	21.80		21.80
06/01/07	0425523-IN	104994 ST# 1	468.58		468.58
06/04/07	0425524-IN	105645 ST# 1	159.70		159.70
06/04/07	0425525-IN	105325 ST# 1	1,550.40		1,550.40
06/04/07	0425526-CM	105335 ST# 1			1,550.40
06/05/07	0425861-IN	106020 ST# 1		11.92	11.92-
06/05/07	0425862-IN	105736 ST# 1	215.80		215.80
06/06/07	0426035-IN	106079 ST# 1	385.04		385.04
06/08/07	0426476-IN	106650 ST# 1	73.60		73.60
06/08/07	0426477-IN	106713 ST# 1	1,650.97		1,650.97
06/12/07	0426886-IN	107787 ST# 1	15.99		15.99
06/13/07	0427081-IN	108008 ST# 1	382.32		382.32
06/14/07	0427238-IN	108203 ST# 1	92.34		92.34
06/14/07	0427239-IN	108205 ST# 1	155.83		155.83
06/14/07	0427240-IN	108350 ST# 1	2.40		2.40
06/15/07	0427417-IN	108507 ST# 1	25.12		25.12
06/15/07	0427418-IN	108510 ST# 1	80.24		80.24
06/18/07	0427571-IN	108843 ST# 1	59.95		59.95
06/18/07	0427572-IN	108844 ST# 1	490.50		490.50
06/18/07	0427573-IN	108845 ST# 1	36.00		36.00
06/18/07	0427574-IN	108847 ST# 1	24.22		24.22
6/19/07	0427744-IN	109296 ST# 1	25.00		25.00
6/19/07	0427745-IN	109198 ST# 1	75.36		75.36
6/19/07	0427746-IN	109329 ST# 1	83.44		83.44
			202.72		202.72

pd amt # 9850  
7/10/07

CONTINUED

PAYMENT IS DUE IN FULL BY 07/10/07.  
THANK YOU FOR SHOPPING MANLEY-DEBOER LUMBER CO!



TWO LOCATIONS:
KEY WEST & BIG PINE KEY

STATEMENT

STATEMENT DATE: 06/30/07

ACCOUNT NUMBER: 0056960

PAGE: 2

SOLD TO: BAHAMA CONCH COMM LAND TRUST/
325 JULIA ST
KEY WEST FL 33040

\$ AMOUNT REMITTED

Please include this portion with your remittance. Thank You!

Table with columns: DATE, REFERENCE, DESCRIPTION, CHARGE, CREDIT, BALANCE. Contains transaction details from 06/19/07 to 06/29/07.

CONTINUED

PAYMENT IS DUE IN FULL BY 07/10/07.
THANK YOU FOR SHOPPING MANLEY-DEBOER LUMBER CO!



**TWO LOCATIONS:  
KEY WEST & BIG PINE KEY**

**STATEMENT**

STATEMENT DATE: 06/30/07

ACCOUNT NUMBER: 0056960

PAGE: 3

SOLD TO: BAHAMA CONCH COMM LAND TRUST/  
325 JULIA ST  
KEY WEST FL 33040

\$ \_\_\_\_\_  
AMOUNT REMITTED

*Please include this portion with your remittance. Thank You!*

DATE	REFERENCE	DESCRIPTION	CHARGE	CREDIT	BALANCE
06/30/07	0429289-CM 112160	ST# 1		21.70	21.70-

TOTAL: 16,023.09

CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	BALANCE DUE
16,023.09	.00	.00	.00	.00	16,023.09

PAYMENT IS DUE IN FULL BY 07/10/07.  
THANK YOU FOR SHOPPING MANLEY-DEBOER LUMBER CO!

BAHAMA CONCH COMMUNITY  
LAND TRUST OF KEY WEST, INC.

325 JULIA STREET  
KEY WEST, FLORIDA 33040

KEY WEST BANK

63-9203/670

July 10, 2007

*James*

\$12,748.77

PAY  
TO THE  
ORDER OF

*Lighthouse Electric*

*Twelve thousand seven hundred forty eight and 77/100* DOLLARS

*Lighthouse Electric  
906 Francis Street  
Key West, FL 33040*

*Norman R. Lamb*  
AUTHORIZED SIGNATURE

MEMO

⑈00985⑈ ⑆067092035⑆ 0000008460⑈

BAHAMA CONCH COMMUNITY

*7/10/07 Bill*

*Electrical Service  
307 Julia St.  
SHA Project*

9851

*\$12,748.77*

BAHAMA CONCH COMMUNITY

*7/10/07 Bill*

*Electrical Service  
307 Julia St.  
SHA Project*

9851

*\$12,748.77*

*\$12,748.77*

*\$12,748.77*

LIGHTHOUSE ELECTRIC

900 Francis St,  
Key West, Fl.33040

Invoice

Date	Invoice #
6/20/2007	1740

Bill To
BCCLT 317 JULIA ST. KEY WEST, FL

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
6	MATT'S HOURS WORKED W/E6/24	65.00	390.00
6	MATT'S HOURS WORKED W/E7/1	65.00	390.00
9	HOURS WORKED BY DENNIS W/E6/24	60.00	540.00
14	HOURS WORKED BY DENNIS W/E7/1	60.00	840.00
9	HOURS WORKED BY STEVE6/24	45.00	405.00
14	HOURS WORKED BY STEVE7/1	45.00	630.00
19	MATT'S HOURS WORKED W/E7/8	65.00	1,235.00
27.5	HOURS WORKED BY DENNIS W/E7/8	60.00	1,650.00
23.5	HOURS WORKED BY STEVE7/8	45.00	1,057.50
8	MATT'S HOURS WORKED W/E7/15	65.00	520.00
8	HOURS WORKED BY DENNIS W/E7/15	60.00	480.00
8	HOURS WORKED BY STEVE7/15	45.00	360.00
	subtotal		8,497.50
1	5% LABOR DISCOUNT	-424.88	-424.88
	subtotal		-424.88
2	QO 30 CIRCUIT 150 AMP PANELS	135.00	270.00
1	4 GANG METER CENTER WITH 125 AMP MAIN BREAKERS	1,100.00	1,100.00
1	2.5 RIGID CONDUIT	70.00	70.00
1	2.5 INCH HUB	50.00	50.00
13	FIRE BLANKETS FOR RECESSED CANS	50.00	650.00
1	SHIPPING CHARGE	30.00	30.00
2	24 INCH LEVITON MEDIA CENTER	65.00	130.00
1	TELEPHONE TV CABLE	200.00	200.00
50	4' SQUARE X 2 & 1/8" STEEL BOX	1.9375	96.88
400	1/2' FLEXIBLE NON METAL CONDUIT	0.27469	109.88
200	3/4' FLEXIBLE NON METAL CONDUIT	0.45006	90.01
21	recessed insulated	12.0125	252.26
9	4' OCT BY 1.5'DEEP CEILING FAN BOX	7.696	69.26
2	EXHAUST FAN/LIGHT COMBO	115.00	230.00
200	ROMEX CONNECTORS	0.70	140.00
2	JAR STAPLES	10.00	20.00
100	5/8 I GANG MUD RINGS	0.65	65.00
100	3/4' PVC	0.25688	25.69
50	3/4 RIGID ONE HOLE STRAP	0.17537	8.77
		<b>Total</b>	

LIGHTHOUSE ELECTRIC

900 Francis St,  
Key West, FL 33040

Invoice

Date	Invoice #
6/20/2007	1740

Bill To
BCCLT 317 JULIA ST. KEY WEST, FL

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
12	4' SQUARE X 1 & 1/2' EXTENSION BOX	3.92725	47.13
20	5/8 RAISED SQUARE TO ROUND MUD RING	0.80	16.00
2	4 GANG STEEL BOX	21.64975	43.30
1	3/4 RAISED 4 GANG MUD RING	10.16158	10.16
2	3/4 RAISED 3 GANG MUD RING	7.787	15.57
20	5/8 RAISED 2 GANG MUD RING	1.30	26.00
3	FLUSH MOUNT NON RATED QO DISCONNECTS	20.00	60.00
250	#12-3 WITH GROUND ROMEX CABLE	0.41	102.50
1,000	#12-2 WITH GROUND ROMEX CABLE	0.35	350.00
200	# 10 THHN COPPER STR WIRE	0.35	70.00
1	4 & 1 1/16 2 GANG RING	1.50	1.50
	subtotal		4,349.91
	TAXES ALREADY PAID	7.50%	326.24
		<b>Total</b>	<b>\$12,748.77</b>

S.B. Painting and Grounds Maint., Inc.

809 Frances Street  
Key West, FL 33040  
305-304-6994

# Estimate

Date	Estimate #
7/9/2007	3

Name / Address
Bahama Conch Comm Land Trust 325 Julia Street Key West Florida 33040

Description	Qty	Rate	Project
			307 Julia Street
Interior painting at 307 Julia street. Work to include prep, prime and paint color owners choice. Labor and materials.		9,850.00	Total
			9,850.00
Thank you for your consideration and the opportunity to estimate for you.			<b>Total</b>
			\$9,850.00

*pkc 9854  
7/12/07*

9854

BAHAMA CONCH COMMUNITY  
LAND TRUST OF KEY WEST, INC.

325 JULIA STREET  
KEY WEST, FLORIDA 33040

KEY WEST BANK

63-9203/670

July 12, 2007

PAY  
TO THE  
ORDER OF

S.B. Painting and Grounds Maint., Inc.

\$9,850.00

Nine thousand eight hundred fifty and 00/100

DOLLARS

S.B. Painting and Grounds Maint., Inc.  
809 Grand Street  
Key West, FL 33040

*Norman R. Lamb*  
AUTHORIZED SIGNATURE

MEMO Interior Painting - 307 Julia St.

⑈009854⑈ ⑆067092035⑆ 0000008460⑈

BAHAMA CONCH COMMUNITY

7/12/07 Bill

Interior Painting as per contract  
307 Julia St.  
SHA2 Project

9854

\$9,850.00

BAHAMA CONCH COMMUNITY

7/12/07 Bill

Interior Painting as per contract  
307 Julia St.  
SHA2 Project

9854

\$9,850.00

\$9,850.00

\$9,850.00

FD Security Features. Details on back.

**Nipper's Painting, Inc.**

3930 S. Roosevelt Blvd., 107-W

Key West, Florida 33040

305-879-1300 (C)

305-294-4044 (H/Fax)

nipperspainting@hotmail.com

July 5, 2007

Adrian Poitier  
Conquering Lion  
Handyman Services  
305-393-3136 (Ph)  
305-294-8901 (Fax)

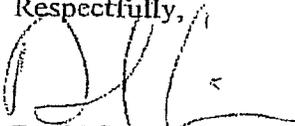
Re: 3071/2 Julia  
Key West, FL 33040

Dear Adrian:

This is an estimate for the interior and exterior of the above address. The work to be performed is the application of one primer coat and two finish coats to all drywall. The trim is to be painted with one primer coat, filled, sanded, caulked, and painted with two finish coats. The pre-primed doors and windows are to be sanded, and painted with two finish coats. The exterior work to be performed is the application of one primer coat, filling, sanding, caulking, and applying two finish coats. The estimate for labor and materials is \$12,000.00.

If you have any questions, please do not hesitate to contact me at 879-1300 or 294-4044.

Respectfully,



David Senior  
Owner

**Nipper's Painting, Inc.**  
3930 S. Roosevelt Blvd., 167-W  
Key West, Florida 33040  
305-879-1300 (C)  
305-294-4044 (H/Fax)  
nipperspainting@hotmail.com

July 10, 2007

Invoice No. 209

Adrian Poitier  
Conquering Lion  
Handyman Services  
305-393-3136 (Ph)  
305-294-8901 (Fax)

Re: 3071/2 Julia  
Key West, FL 33040

Dear Adrian:

This is a request for payment the first payment in the amount of \$4,000.00, which is due upon job commencement. Per mutual agreement, payments are to be made in three equal payments of \$4,000.00, with the total job having been bid at \$12,000.00.

Please make check payable to Nipper's Painting, Inc.

Respectfully,

*MaryAnn Gentry for*  
David Senior  
Owner

*shal*  
*pd ch# 9848*  
*7/12/07*

*8/23/2007 4000 shal*

*0143*

*Bal. due: 8,000.00*

BAHAMA CONCH COMMUNITY  
LAND TRUST OF KEY WEST, INC.  
325 JULIA STREET  
KEY WEST, FLORIDA 33040

KEY WEST BANK  
63-9203/670

July 12, 2007

PAY  
TO THE  
ORDER OF

Nippers Painting, Inc.

Drawn \$4,000.00

Four thousand and <sup>00</sup>/<sub>100</sub>

DOLLARS

Nippers Painting Inc.  
3450 S. Roosevelt Blvd.  
107-W  
Key West, FL 33040

*Norman R. Lumb*  
AUTHORIZED SIGNATURE

MEMO

Deposit / 1st pgt. Painting 307 1/2 Julia St

⑈009848⑈ ⑆067092035⑆ 0000008460⑈

BAHAMA CONCH COMMUNITY

7/12/07 bill

Dep. / 1st pgt. Painting  
307 1/2 Julia St.  
SHAL Project

98

\$4,000.00

\$4,000.00

BAHAMA CONCH COMMUNITY

7/12/07 bill

Dep. / 1st pgt. Painting  
307 1/2 Julia St.  
SHAL Project

9848

\$4,000.00

\$4,000.00

# **Appendix J**

MONTHLY REPORT PREPARED FOR:

CITY OF KEY WEST

Income & Expenditures in Reference to Affordable Housing Initiatives  
and Related Activities of:

**Bahama Conch Community Land Trust of Key West, Inc.**

325 Julia Street  
Key West, FL 33040  
(305) 294-0884

Cumulative for:

thru September 30, 2007

Prepared by:

Oceanside Accounting & Office Services, Inc.  
P O Box 51-0535  
Melbourne Beach, FL 32951  
(321) 956-3940 (305) 304-1021

Notes:

- 8/16/2002 - per teleconference with Roger Wittenberg, Peter Rosasco, Marlene Morato, Susan Murphy make changes 1 - 5 below:
- 1 Eliminate Sands Rooming House improvements from monthly reporting totals and add back at year end to balance to audit
- 2 Eliminate FYE 01 from total Acquisition and Rehabilitation Totals for City of Key West, leaving column in for BCCLT Board
- 3 Eliminate FYE 02 before closing date of Emma & Olivia Street from Oct 1 to Dec 20, 2002
- 4 Continue to provide detailed Income vs expenditures reports by property for information only
- 5 Provide additional sheet for City of Key West to include only FYE 02- Sale of Proeprties of Dec 20, 2002 To Date
- 6 10/16/02 per teleconference with Roger Wittenberg, Bert Bender, Susan Murphy
- 7 Roger could not approve Bert's request to use the date of approval of the bond issue/judgement date of TIF, continue to use the Date of Sale of Properties on this report
- 8 Letter Roger Wittenberg to Bert Bender dated 11/6/02 advised City will consider date of Grant Agreement dated July 1, 2001, therefore the Sept report issued using this date
- 9 City of Key West disbursed \$153,554 3/25/2003 from FYE 02 Budget as unspent for affordable housing
- 10 City advised no monies avail in 03 Budget
- 11 Roger W & Dennis Grote identify overage in budget and BCCLT submits Request to Carmen for resolution
- 12 Carmen agrees to sponsor resolution
- 13 At City Commission Meeting; Carmen pulls Resolution and earmarks funds for Policing Budget
- 14 BCCLT advised no funds avail in FYE 04 Budget
- 15 Meeting with Carmen Turner and BCCLT Board; she'll think about reconsideration
- 16 Meeting with Julio Avel April 27, 2005; request for assistance with sewer & garbage and he'll take under consideration
- 17 11/2005: President, Bob Kelly and Paul Cicen find overage from prior years budget, discuss potential of resolution
- 18 Jan - May 2006: Bob Kelly, President and Clayton Lopez research & meet to discuss overages in City Budget with Roger W, Julio Avail
- 19 5/12/06 TIF Resolution approved for 160K Acq & Rehab reimbursement and issued in the amount of \$159,578.

TOTAL NET PROCEEDS ON SALE OF PROPERTIES LESS IMPROVEMENTS (see attached detail)  
 Cumulative for fiscal years ended Sept 30, 2001, 2002, 2003, 2004, 2005, 2006, 2007 thru September 30, 2007

FOR BOULDER BOARD - CUMULATIVE FIVE (5) YEAR FIVE (5)

Acquisition & Rehabilitation

Expenditures	TOTAL										FROM GRANT AGREEMENT	
	FYE 01	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06	FYE 07	FYE 01 - 07	TOTAL	DATE TO DATE	7/1/01 - 9/30/07	
<b>RESTRICTED FUND BALANCE - CITY OF KEY WEST TIP 2.5 M REHABILITATION FUNDING</b>												
<b>TIF Properties</b>												
110-116 Caroline Street	15,833	8,904	16,130	31,260	12,086	11,290	26,111	122,985			122,985	
1015 Thomas Street		2,784	4,161	3,463	1,863	507	1,016	13,955			13,955	
227 Virginia & 1031 Howe St	221,113	67,854	21,424	261	0	0	0	312,682			216,142	
304 Emma & 204 Ochs		1,944	11,377	2,483	0	0	0	15,784			15,784	
304 Thomas	736	912	565	75	0	215	1,973	4,478			4,478	
416 Truman Ave	4,830	9,129	154	0	0	0	100	16,319			16,319	
222 Ochs Street		1,266	16,568	0	0	0	0	17,834			17,834	
304 Emma Street		7,268	24,150	261	0	295	1,009	42,984			42,984	
TIF Property Acquisition & Rehabilitation Expenditures	237,802	91,479	73,440	89,054	14,844	12,307	30,271	549,140			446,000	
Subtotal												
<b>Acquisition &amp; Rehabilitation Expenditures</b>												
Non TIF Properties												
609 Carmine Street	14,672	89,353	12,264	340	2,245	11,028	2,434	132,145			134,261	
309 Julia & 200310 Truman Ave		22,768	18,026	4,798	3,225	9,336	4,655	62,877			64,833	
307 Julia Street		4,641	400	52,768	138	52	0	56,000			59,375	
914 Emma Street				450	240	0	277	967			967	
299 Patricia Street								400			400	
213 Patricia Street								0			0	
222 Patricia Street								0			0	
Truman Annex Navy Property								400			400	
Non TIF Property Acquisition & Rehabilitation Expenditures	14,672	116,801	31,759	58,367	5,690	20,418	7,368	254,783			260,236	
Subtotal	262,564	208,280	105,199	147,450	20,734	32,725	37,639	803,923			766,236	
<b>TOTAL ACQUISITION &amp; REHABILITATION</b>												
Proceeds from Sale of Emma & Ochs Street (see attached detail)												
Less: Acquisition and Rehabilitation Expenditures												
Reimbursable Excess of Expenditures over Sales Proceeds												
Documentation from City of Key West, May, 2003												
Proceeds from Sale of TIF Properties (227 Virginia Street (Nov, 2004)												
Reimbursable Excess of Expenditures over Sales Proceeds and Disbursements from City												
Documentation from City of Key West, May, 2006												
Reimbursable Excess of Acquisition and Rehabilitation Expenditures over Sales Proceeds and Disbursements from City of Key West												
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Documentation from City of Key West, May, 2006												
Reimbursable Excess of Acquisition and Rehabilitation Expenditures over Sales Proceeds and Disbursements from City of Key West												
Documentation from City of Key West, May, 2006												
Reimbursable Excess of Acquisition and Rehabilitation Expenditures over Sales Proceeds and Disbursements from City of Key West												

TOTAL NET PROCEEDS ON SALE TIF PROPERTIES LESS IMPROVEMENTS (see attached detail)  
 Cumulative for fiscal years ended Sept 30, 2001, 2002, 2003, 2004, 2005, 2006, 2007 thru September 30, 2007

Acquisition & Rehabilitation Expenditures	FOR CITY OF KEY WEST (From Grant Agreement) 7/1/01 to 9/30/2007
<u>RESTRICTED FUND BALANCE - CITY OF KEY WEST TIF 2.5 Mil Resolution Funding</u>	
TIF Properties:	
110-116 Geraldine Street	122,965
1015 Thomas Street	13,995
227 Virginia & 1031 Howe St	210,142
901 Emma & 204 Olivia Streets	15,784
304 Truman Avenue	4,478
416 Truman Avenue	18,319
222 Olivia Street	17,934
904 Emma Street	42,984
Subtotal TIF Property Acquisition & Rehabilitation Expenditures	<u>446,600</u>
Acquisition & Rehabilitation Expenditures	
Non TIF Properties:	
629 Caroline Street	134,261
309 Julia & 308/310 Truman Ave	64,833
307 Julia Street	59,375
914 Emma Street	967
209 Petronia Street	400
211 Petronia Street	0
213 Petronia Street	0
222 Petronia Street	400
Truman Annex Navy Property	0
Non TIF Property Acquisition & Rehabilitation Expenditures	<u>260,235</u>
Subtotal Non TIF Acquisition & Rehabilitation Expenditures	<u>706,835</u>
<b>TOTAL ACQUISITION &amp; REHABILITATION</b>	<u><u>706,835</u></u>
Proceeds from Sale of Emma & Olivia Street (see attached detail)	169,442
Less: Acquisition and Rehabilitation of Properties from Grant Agreement date of 7/1/01 thru March 31, 2006	706,835
Balance of Restricted TIF Funds	<u>(537,393)</u>
Disbursement from City of Key West, May 03	153,554
Proceeds from Sale of TIF Properties (227 Virginia Street Nov, 2002 & 1031 Howe Street Mar, 2004)	38,971
Proceeds from Sale of TIF Property - 222 Olivia Street (Nov, 2004)	118,951
Reimbursable Excess of Expenditures over Sales Proceeds and Disbursements from City	<u>(225,917)</u>
Disbursement from City of Key West, May 2006	153,771
Disbursement from City of Key West, June 2006	5,807
Reimbursable Excess of Acquisition and Rehab Expenditures over Sales Proceeds and Disbursements from City of Key West	<u>(66,339)</u> } 159,578
	<u><u>(66,339)</u></u>

Bahama Conch Community Land Trust of Key West, Inc. (BCCLT)  
 Statement of Receipts and Expenditures associated with the TIF Proceed Purchases

CITY TIF	BCCLT							SUBTOTAL FYE 01 - 07
	FYE 2001 thru 9/30/01	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 05 thru 9/30/05	FYE 06 thru 9/30/06	FYE 07 thru 9/30/07	
<b>110-116 GERALDINE ST EXPENDITURES</b>								
Receipts								
TIF Loan		3,611	3,333	3,333				13,250
Mortgage - Prospero Property	903,885	77,301	47,875	37,995	39,817	26,217	45,295	10,833
Shipp Loan Forgiven	13,250							283,649
Rents	50,000	80,912	51,208	41,328	39,817	26,217	45,295	307,932
<b>Total Receipts</b>	<b>967,135</b>	<b>161,823</b>	<b>102,416</b>	<b>82,656</b>	<b>79,634</b>	<b>52,434</b>	<b>90,590</b>	
Expenditures								
Purchase Price	900,250							
Shipp Loan	50,000							
Improvements			236	13,731	275		17,866	32,108
Appraisal	1,350							0
Auto								0
Bad Debts		7,078					425	
Closing Costs - Loan								
Depreciation		12,828	357					7,078
Equipment	2,131							357
Title Insur	399	578	1,554					14,959
Insurance	11						533	3,064
Supplies	1,208	15,088	8,218	7,444	343			11
Postage					32			32,301
Property Tax	944		14	14				32
Principal & Int	200	2,600	3,983	3,983				27
Repairs & Maint	2,184	8,386	2,400	2,400	2,400	1,200	10	8,920
Janitorial & Pest Patrol			14,340	18,219	12,411	11,290	2,700	13,900
Licenses & Permits	642	252	1,548	1,281	383		7,712	74,542
Property Management	600	2,475			610	723	100	383
Utilities	391	5,752	6,448	7,490	250			5,156
<b>Total Expenditures</b>	<b>967,135</b>	<b>55,037</b>	<b>39,097</b>	<b>54,562</b>	<b>24,447</b>	<b>14,966</b>	<b>36,042</b>	<b>122,965</b>
Net Receipt Under/Over Expendit	0	25,875	12,111	(13,234)	15,370	11,251	9,253	74,847
<b>TOTAL ACQUISITION &amp; REHABIL</b>	<b>13,250</b>	<b>8,964</b>	<b>16,130</b>	<b>31,950</b>	<b>12,686</b>	<b>11,290</b>	<b>26,111</b>	<b>122,965</b>

Note: Expenditures do not include any allocation of Management and General (Administrative Overhead) Expenses. This financial report is unaudited.

Bahama Conch Community Land Trust of Key West, Inc. (BCCLT)

Statement of Receipts and Expenditures associated with the TIF Proceed Purchases

CITY TIF	BCCLT							TOTAL 7/1/01- 9/30/07
	FYE 2001 thru 9/30/01	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	
<b>1015 THOMAS STREET EXPENDITURES</b>								
Receipts								
TIF Funding		382,036						
Rents								
Total Receipts	4,913	26,733	27,047	26,833	24,232	15,262	25,717	150,737
	4,913	26,733	27,047	26,833	24,232	15,262	25,717	150,737
Expenditures								
Purchase Price								
Improvements								
Appraisal			360					360
Bad Debts								0
Closing Costs		500						500
Depreciation								0
Equipment	772	4,645						5,417
Title Insur		410	1,243	388				2,041
Insurance	135							135
Origination Fee	401	4,115	2,761	3,056				10,333
Property Tax	488	670						0
Principal & Int								1,158
Repairs & Maint		2,374	2,578	3,095	1,889	582	1,076	0
Janitorial & Pest Control								11,594
Licenses & Permits		159	80	251	93	198		208
Property Management								935
Survey								0
Utilities	191	191						191
Total Expenditures	2,142	15,912	9,927	9,155	5,229	894	3,530	46,790
	2,142	15,912	9,927	9,155	5,229	894	3,530	46,790
Net Receipt Under/Over Ex	400	10,821	17,120	17,678	19,003	14,368	22,186	103,947
	400	10,821	17,120	17,678	19,003	14,368	22,186	103,947
<b>TOTAL ACQUISITION &amp; REHABILITATION</b>	0	2,784	4,181	3,483	1,889	582	1,076	13,995
	0	2,784	4,181	3,483	1,889	582	1,076	13,995

Note: Expenditures do not include any allocation of Management and General (Administrative) Expenses.  
This financial report is unaudited.

SOLD Bahama Conch Community Land Trust of Key West, Inc. (BCCLT) - Statement of Receipts and Expenditures associated with the TIF Proceed Purchases

CITY TIF	BCCLT						TOTAL	7/1/01-9/30/07
	FYE 2001 thru 9/30/01	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06		
227 VIRGINIA ST & 1031 HOWE ST EXPENDITUES								
Receipts								
TIF Funding	91,932							91,932
Monroe County Land Al	89,000							0
Shipp Loan Proceeds	72,000							72,000
Ground Lease - VA				140	525	525	315	1,505
Ground Lease - Howe St					1,105	1,105	280	2,595
Rents			16,368	1,488	1,593	1,630	595	17,856
Total Receipts	163,932	0	16,368	140	1,593	1,630	595	185,888
Expenditures								
Purchase Price	220,505	33,947	6,424	9,053	375			303,887
Improvements*	471	3,190	32,261					375
Appraisal	2,508	487	308					32,261
Affordable Housing Subsidy		1,674	528	4,547	1,580			7,159
Depreciation								11,324
Escrow (Ins & Taxes)	3,895	1,305	2,212					0
Title Insur		1,690	607					7,411
Insurance								0
Origination Fee								0
Property Tax								2,297
Loan Charges								6,009
Loan Interest & Princ	403	2,123	2,934	3,075				10,751
Repairs & Maint*	58	181	181	4,101	1,808			8,246
Licenses & Permits	12		2,975	4,962	251			193
Engineers, Surveys		538		91				1,075
Utilities	926	170	77	342	368			2,215
Total Expenditures	228,778	43,449	45,688	26,556	4,096	0	0	393,202
Net Receipt Under/Over Ex	(64,846)	(43,449)	(45,688)	(10,188)	(2,610)	1,630	595	(207,314)
Total Net Receipts Over (U	(65,396)	(88,082)	(55,876)	1,245				(207,314)
550	220,553	33,947	9,399	14,025	0	0	0	312,431
TOTAL ACO & REHAB	221,113	67,894	23,424	251	0	0	0	312,431
				251				210,142

Note: 227 Virginia Street sold Nov 14, 2002

The report does not include any Management and General (Admin) Expenditures. This report is unaudited.



Bahama Conch Community Land Trust of Key West, Inc. (BCCLT)

Statement of Receipts and Expenditures associated with TIF Proceed Purchases

CITY TIF	BCCLT							TOTAL FYE 01 - 07
	FYE 2001 thru 9/30/01	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	
304 TRUMAN AVE								
Receipts								
TIF Funding	717							717
Rents								0
Total Receipts	<u>717</u>	<u>0</u>						<u>717</u>
Expenditures								
Affordable Housing Subsidies								
Appraisal*								710
Closing Costs		360	350					0
Depreciation								0
Equipment								0
Title Insur								0
Insurance								0
Origination Fee								0
Property Tax			3,934	1,409				0
Principal & Int								5,343
Repairs & Maint								0
Legal*	736	552	215	75		215	1,975	2,190
Licenses & Permits								1,578
Property Management								0
Survey								0
Utilities	75							0
Total Expenditures	<u>811</u>	<u>912</u>	<u>4,499</u>	<u>1,484</u>		<u>215</u>	<u>1,975</u>	<u>75</u>
Net Receipt Under/Over Expendi	<u>(94)</u>	<u>(912)</u>	<u>(4,499)</u>	<u>(1,484)</u>		<u>(215)</u>	<u>(1,975)</u>	<u>9,896</u>
TOTAL ACQUISITION & REHABILITATI*	<u>736</u>	<u>912</u>	<u>565</u>	<u>75</u>		<u>215</u>	<u>1,975</u>	<u>4,478</u>

Note: Expenditures do not include any allocation of Management and General (Administrative) Expenses.  
This financial report is unaudited.

Bahama Conch Community Land Trust of Key West, Inc.

Statement of Receipts and Expenditures

	BCCLT						TOTAL FYE 01 - 07
	FYE 2001 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	
416 TRUMAN AVE.							
Receipts							
TIF Loan	300,000						
Monroe County Land Auth							
Rentls	300	6,792	3,975	3,975	2,796	4,579	
Total Receipts	300,000	6,792	3,975	3,975	2,796	4,579	22,416
Expenditures							
Purchase Price	300,000						
Improvements*							
Acquisition Expenses							
Appraisal	1,182						1,182
Closing Costs*	675		300				975
Deposit*	1,845						1,845
Depreciation	1,000						1,000
Survey	437						437
Equipment*	350						350
Escrow (Prepaid Ins & Tax)		423					423
Insurance							
Licenses and Permits							
Loan Interest	269	7					266
Management Fee							
Property Tax	356	560					916
Repairs & Maint*	4,903	8,705	154	6		100	13,868
Telephone							
Utilities	20						
Total Expenditures	301,375	10,354	706	690	250	839	2,158
Net Receipt Under/Over Expendi	(1,375)	(3,562)	1,160	690	250	839	23,420
TOTAL ACQ & REHAB*	1,000	9,128	2,815	3,285	2,545	3,740	(1,004)
	8,930		154	6		100	18,319

Note: This report does not include any allocation of Management and General (Administrative) Expenses.

This financial report is Unaudited

Bahama Conch Community Land Trust of Key West, Inc. - Statement of Revenues Expenditures for Properties associated with TIF Proceed Purchases

	BCCLT						
	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07
<b>222 Olivia Street</b>							7/1/01 - 9/30/07
Receipts							
TIF Funding	257,019						
Ground Lease							
Rents		35		1,010	140	455	1,540
Total Receipts	257,019	3,141	1,128	1,010	140	455	4,270
Expenditures							
Purchase Price	257,019						
Deposit*	1,000						
Improvements*		1,000					
Appraisal*			16,370				1,000
Equipment		350					16,370
Escrow (Prepaid Ins & Tax)							350
Insurance							
Licenses and Permits			2,084				4,533
Loan Interest							
Management Fee							
Property Tax							
Repairs & Maint*		16	2,122				2,122
Telephone			198				214
Utilities							
		302	838	142			
Total Expenditures	258,369	4,117	21,612	142			1,282
Net Receipt Under/Over Expen	(1,350)	(976)	(20,484)	868	140		(19,962)
<b>TOTAL ACQUISITION &amp; REHABILITATION*</b>		1,366	16,568				17,934
							17,934

Sold

	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07
904 Emma Street							7/1/01 - 9/30/07
Receipts							
TIF Funding	287,552						
Rents		785					785
Total Receipts	<u>287,552</u>	<u>785</u>					<u>785</u>
Expenditures							
Purchase Price	351,558						
Deposit							
Improvements*	6,280	6,280	20,095				26,375
Appraisal*	350	350					350
Equipment							26,375
Escrow (Prepaid Ins & Tax)							350
Insurance							
Licenses and Permits		345					
Loan Interest				1,200		400	1,945
Management Fee							
Property Tax							
Repairs & Maint*		638	2,040			1,009	2,040
Storage			14,055	261	295		16,259
Telephone						1,397	
Utilities							
Total Expenditures	<u>358,188</u>	<u>7,613</u>	<u>1,815</u>	<u>697</u>	<u>37</u>	<u>382</u>	<u>2,932</u>
Net Receipt Under/Over E		<u>(6,826)</u>	<u>(38,005)</u>	<u>(959)</u>	<u>(332)</u>	<u>3,188</u>	<u>49,901</u>
TOTAL ACQUISITION & REHABILITATION*		<u>7,268</u>	<u>34,150</u>	<u>261</u>	<u>295</u>	<u>1,009</u>	<u>42,984</u>

Bahama Beach Community Land Trust of Key West, Inc.  
 Statement of Receipts and Expenditures for Other Properties (Non TIF fund properties)  
 309 JULIA ST AND 308 TRUMAN AVE.

	FYE 2002 thru 8/30/02	FYE 2002 thru 8/30/02	FYE 2003 thru 8/30/03	FYE 2004 thru 8/30/04	FYE 2004 thru 8/30/04	FYE 2005 thru 8/30/05	FYE 2006 thru 8/30/06	FYE 2007 thru 8/30/07	TOTAL FYE 01 - 07
Receipts									
Ground Lease 309 Julia SFR	534,286								
Ground Lease 310 Truman									
Rents									
Total Receipts	534,286								
Expenditures									
Purchase Price									
Improvements									
Appraisal									
Depreciation									
Equipment									
Escrow (Prepaid Ins & Tax)									
Insurance									
Loan Interest									
License and Permits									
Management Fee									
Professional Fees (Engineer/Survey)									
Property Tax									
Repairs & Maint									
Svil Grant/Repairs & Maintenance									
Telephone									
Utilities									
Total Expenditures	550,000								
Net Receipt Under/Over Efg	(15,715)								
SUB-TOTAL ACQUISITION & REHABILITATION									
TOTAL ACQUISITION & REHABILITATION									

\*Note: Dow from Julia McLeod = 3113.62 for water

Note: This financial is unaudited.

This does not reflect any allocation for Management and General (Administrative) Expenses

Bahama Conch Community Land Trust of Key West, Inc.  
 Statement of Receipts and Expenditures

	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07	7/1/01 - 9/30/07	SHAL
307 JULIA STREET									
close 6/20/02 Monroe County Land Auth	334,386								
Rents						81	81		
Total Receipts	334,386					81	81		
Expenditures									
Acquisition Costs	330,000								
Purchase Price									
Loan Closing Costs	111								
Attorney's Fees	1,650					1,375	1,486	1,486	
Title Insurance	1,725						1,650	1,650	
Shal Appraisal	600					500	1,725	1,725	
Shal Engineers						925	1,100	600	500
Survey	300						925		925
Improvements							300	300	
Depreciation			45,500				45,500	45,500	
Escrow (Prepaid Ins & Tax)	1,022						1,022		
Insurance - Fire & Liability									
Insurance - Builders Risk									
Insurance									
Licenses and Permits - Shal			6,674			3,171	3,171		1,739
Loan Interest					930		1,739		1,739
Management Fee							6,674		
Office Supplies							930		930
Property Tax									
Storage/Rent					11	961			
Repairs & Maint							11		
SHAL Property Rehab Costs:	255	400	7,268	139	52	1,055	1,055		1,055
Building Improvements							8,114	8,114	
Furnishings & Equipment									
Repairs & Maint - Materials									
Furnishings & Equipment									
License & Permits									
Waste Dump Removal									
Telephone									
Utilities	672	3,260	3,340	3,364	2,336	5,230	18,201		458,168
Total Expenditures	6,334	3,660	62,782	3,503	3,329	465,414	545,022	59,375	463,317
Net Receipt Under/Over Expenditure	(6,334)	(3,660)	(62,782)	(3,503)	(3,329)	(465,333)	(544,941)	59,375	463,317
TOTAL ACQUISITION & REHABILITATION									
Net Receipt Under/Over Expenditure (Administrative)				139	52		59,875	59,375	

Note: Building Supplies, Improvements/Labor

This financial report is Unaudited.

Bahama Conch Community Land Trust of Key West, Inc.

Statement of Receipts and Expenditures on Other Properties (non TIF proceeds)

629 Caroline Street

		BCCLT									
		FYE 2001	FYE 2002	FYE 2003	FYE 2004	FYE 2005	FYE 2006	FYE 2007	TOTAL		
		thru 9/30/01	thru 9/30/02	thru 9/30/03	thru 9/30/04	thru 9/30/05	thru 9/30/06	thru 9/30/07	FYE 01 - 07	7/1/01 - 9/30/07	
Receipts											
Monroe County Land Auth	373,923										
Rents		11,414	20,055	30,000	30,393	29,950	16,050	30,200	168,062		
Total Receipts	373,923	11,414	20,055	30,000	30,393	29,950	16,050	30,200	168,062		
Expenditures											
Purchase Price Improvements	373,923	14,584	85,167	7,262				644	107,657	107,657	
Closing	2,033								0		
Depreciation Expense		3,652	7,240	2,810					2,810		
Equipment		367	421		666				10,892		
Escrow (Prepaid Ins & Tax)			12,543		1,947				1,454		
Insurance		835	1,651	3,869	1,623	1,205			14,490		
Licenses and Permits		219	293	151	151	345		14,143	23,325		
Loan Charges							105		1,264		
Loan Int & Principal		40	3,203	26	68	97			191		
Management Fee		824	1,100	7,865	6,394	5,875	6,570	15,130	45,098		
Property Tax		278	5,544	1,100	1,100	1,200	200		5,524		
Repairs & Maint		288	4,226	791	763			774	8,150		
Supplies				6,002	340	2,285	11,028	2,434	26,604	26,604	
Telephone		1,469				2,285			2,285		
Utilities			5,194	3,470	3,578	4,058	407	3,563	1,469		
Total Expenditures	375,956	22,556	126,583	33,366	16,630	17,351	18,310	36,688	271,483	134,261	
Net Receipt Under/Over Expend	(2,033)	(11,142)	(106,528)	(3,366)	13,763	12,599	(2,260)	(6,488)	(103,421)		
TOTAL ACQUISITION & REHABILITATION		14,872	89,393	13,264	340	2,285	11,028	3,076	134,261	134,261	

Note: Expenditures do not include any allocation of Management and General (Administrative) Expenses.

This financial report is unaudited

	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07
914 Emma St							
Receipts							
Monroe County Land Auth							7/1/01- 9/30/07
Rents							
Total Receipts							
Expenditures							
Purchase Price							
Acquisition Costs							
Abstract, Deed, Title Exam							
Attorney's Fees							
Title Insurance							
Appraisal							
Survey							
Improvements							
Depreciation							
Equipment							
Escrow (Prepaid Ins & Tax)							
Insurance							
Licenses and Permits							
Loan Interest							
Management Fee							
Property Tax							
Repairs & Maint			450	240		277	967
Telephone							
Utilities							
Total Expenditures			450	240		277	967
Net Receipt Under/Over Expenditure	0	0	(450)	(240)		(277)	(957)
TOTAL ACQUISITION & REHABILITATION			450	240		277	967

Note: This does not reflect any allocation of Management and General (Administrative) Expenses.  
This financial report is unaudited.

Bahama Conch Community Land Trust of Key West, Inc.  
Statement of Receipts and Expenditures

	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07	7/1/01 - 9/30/07	SHAL
209-211 Petronia Street				
Receipts				
209-211 Monroe County Land Auth	1,607,547			
Rentis				
Total Receipts	<u>1,607,547</u>			
Expenditures				
Purchase Price				
Acquisition Costs				
209-211 Closing Costs	7,547	7,547		
Attorney's Fees				
Title Insurance				
Appraisal				
Survey				
SHAL Depreciation	400	400	400	400
Equipment				
Escrow (Prepaid Ins & Tax)				
Insurance				
SHAL Licenses and Permits	1,025	1,025		1,025
Loan Interest				
Management Fee				
Property Tax				
SHAL Improvements - Labor	116,434	116,434		
SHAL Furnishings & Equipment	2,565	2,565		
SHAL Repairs - Waste Removal	6,979	6,979		
Telephone				
Utilities	679	679		
Total Expenditures	<u>128,082</u>	<u>135,629</u>	<u>400</u>	
Net Receipt Under/Over Expenditure	<u>(7,547)</u>	<u>(135,629)</u>		
TOTAL ACQUISITION & REHABILITATION	<u>116,434</u>	<u>(135,629)</u>	<u>400</u>	

Note: This does not reflect any allocation of Management and General (Administrative) Expenses.

This financial report is unaudited.

Bahama Conch Community Land Trust of Key West, Inc.  
Statement of Receipts and Expenditures

211 Petronia Street		7/1/01 - 9/30/07	
Receipts		FYE 2007	TOTAL
Monroe County Land Auth		thru 9/30/07	FYE 01 - 07
Total Receipts			
Expenditures			
Acquisition Costs			
Purchase Price			
Rents			
Abstract, Deed, Tie Exam			
Attorney's Fees			
Title Insurance			
Appraisal			
Survey			
Improvements			
Furnishings & Equipment			
Depreciation			
Dumpster Fee			
Equipment			
Escrow (Prepaid Ins & Tax)			
Insurance			
Licenses and Permits			
Loan Interest			
Management Fee			
Property Tax			
Repairs - Contract Labor			
Repairs - Materials			
Telephone			
Utilities			
Total Expenditures		132	132
Net Receipt Under/Over Expenditure		132	132
TOTAL ACQUISITION & REHABILITATION		(132)	(132)

Note: This does not reflect any allocation of Management and General (Administrative) Expenses.  
This financial report is unaudited.

Bahama Conch Community Land Trust of Key West, Inc.  
 Statement of Receipts and Expenditures

211 Petronia Street	FYE 2007		TOTAL
Receipts	thru 9/30/07	FYE 01 - 07	7/1/01 - 9/30/07
Monroe County Land Auth			
Rents			
Total Receipts			
Expenditures			
Purchase Price			
Acquisition Costs			
Abstract, Dead, Title Exam			
Attorney's Fees			
Title Insurance			
Appraisal			
Survey			
Improvements			
Furnishings & Equipment			
Depreciation			
Dumpster Fee			
Equipment			
Escrow (Prepaid Ins & Tax)			
Insurance			
Licenses and Permits			
Loan Interest			
Management Fee			
Property Tax			
Repairs - Contract Labor			
Repairs - Materials			
Telephone			
Utilities			
Total Expenditures	120	120	120
Net Receipt Under/Over Expenditure	0	0	0
TOTAL ACQUISITION & REHABILITA	(120)	(120)	(120)

Note: This does not reflect any allocation of Management and General (Administrative) Expenses.  
 This financial report is unaudited.

Bahama Conch Community Land Trust of Key West, Inc.  
Statement of Receipts and Expenditures

222 Petronia Street

	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07	SHAL
Receipts			
Monroe County Land Auth			
Rents			
Total Receipts			
Expenditures			
Acquisition Costs			
Purchase Price			
Abstract, Deed, Tile Exam			
Attorney's Fees			
Title Insurance			
Appraisal			
Survey			
Improvements	400	400	400
Depreciation			
Equipment			
Escrow (Prepaid Ins & Tax)			
Insurance			
Licenses and Permits			
Loan Interest			
Management Fee			
Property Tax			
Repairs & Maint			
Maint - Debris Removal			
Telephone			
Utilities			
Total Expenditures	505	505	
Net Receipt Under/Over Expenditure	905	905	400
TOTAL ACQUISITION & REHABILITATION	(905)	(905)	
	0	0	400

Note: This does not reflect any allocation of Management and General (Administrative) Expenses.  
This financial report is unaudited.

BCCLT

PARTNERSHIP

WITH

SANDS FAMILY ROOMING HOUSE

THE FOLLOWING SHEETS ARE FOR OPERATION OF THE SANDS

FAMILY ROOMING HOUSE (LEASE AGREEMENT WITH BCCLT EXPIRED 9/11/04)

AND FOR THE OPERATION OF THE SAND FAMILY ROOMING HOUSE

MUSEUM, COMPUTER RESOURCE CENTER AND CULTURAL PROGRAMS

Bahama Conch Community Land Trust of Key West, Inc. (BCCLT)

Statement of Receipts and Expenditures - Other Affordable Housing Properties (non TIF Proceeds)  
322 Truman Avenue

	BCCLT							For City of Key West
	FYE 2001 thru 9/30/01	FYE 2002 thru 9/30/02	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07
322 TRUMAN AVE EXPENDITURES								
Receipts								
Rents	92,817	76,243	92,387	89,941	1,840			
Total Receipts	92,817	76,243	92,387	89,941	1,840			353,227
Expenditures								
Improvements								5,990
Property Mgmt Contract Labor		8	25	25				0
Depreciation Expense	7,025	11,330	8,026	6,955				58
Equipment	10	175						33,336
Equipment Rental			239					185
Insurance								239
Janitorial	218	27						0
Licenses & Permits	183	326	529	171	63	55		245
Princ & Interest - Note								1,326
Postage	24	2,666	2,998	2,768	5,359	1,384	6,890	22,065
Printing & Reproduction								24
Property Taxes		16,496	665	27	3			695
Repairs & Maint	1,584	1,868	3,651	8,225	11	11		28,395
Sands Share of Rental Income	79,000	43,300	6,007	5,011	186			14,656
Telephone	1,056	1,905	47,319	49,921	24,682			244,222
Utilities	12,245	11,150	516	387				3,863
Total Expenditures	106,032	89,801	85,223	86,969	32,107	1,450	6,890	53,174
Net Receipt Under/Over E	(13,216)	(13,558)	7,163	2,972	(30,267)	(1,450)	(6,890)	408,472
TOTAL ACQUISITION & REHABILITATION	6,272	2,418	6,998	5,011	186	0	0	20,885
Note: Expenditures per Property does not include any allocation of Management and General (Administrative) Expenses.								20,885
Management Agreement with Sands Family expired on September 11, 2004								
This financial report is unaudited.								

Management Agreement with Sands expired Sept 11, 2004  
 4,688

# Management Agreement with Sands expired Sept 11, 2004

	FYE 2003 thru 9/30/03	FYE 2004 thru 9/30/04	FYE 2005 thru 9/30/05	FYE 2006 thru 9/30/06	FYE 2007 thru 9/30/07	TOTAL FYE 01 - 07	2001 & 2002	2003	2004	2005
Receipts										
Museum Donations	356	465	723	597		2,141				
Rents	160	160	240	240		400				
<b>Total Receipts</b>	<b>0</b>	<b>625</b>	<b>723</b>	<b>837</b>	<b>0</b>	<b>2,541</b>				
Expenditures										
Equipment*	329	477				806	329	477	0	
Advertising	50			200		571				
Books and Videos	100					300				
Depreciation	268					16				
Dues and Subscriptic	220	138	240			598				
Equipment Rental	429	1,432				1,432				
Insurance	94	373				1,271				
Janitorial	700	3,899	2,425			7,024				
Licenses & Permits	28					28				
Program Expenses	3,502	10,430	13,556	5,354		32,842				
Property Taxes	1,204	4,862				4,862				
Printing and Reprodu	912	1,742				1,882				
Note * Repairs & Maint*	170	19,847	7,433	92		33,781	7,321	19,847	7,433	92
Supplies	2,191	2,981	27			27				
Telephone	3,236	7,037	408	1,754	275	5,418				
Utilities	8,653	22,930	6,584	639	49	19,572				
<b>Total Expenditures</b>	<b>912</b>	<b>48,871</b>	<b>30,265</b>	<b>8,039</b>	<b>324</b>	<b>110,429</b>	<b>7,650</b>	<b>20,324</b>	<b>7,433</b>	<b>92.08</b>
<b>TOTAL ACQ &amp; REHAB</b>	<b>912</b>	<b>20,324</b>	<b>7,433</b>	<b>7,202</b>	<b>324</b>	<b>34,587</b>	<b>7,650</b>	<b>20,324</b>	<b>7,433</b>	<b>92.08</b>
										<b>35,499</b>

Note Required by Lease with Sands Family to make Improvements to Property INCLUDED FOR BCCLT BOARD ONLY- NOT INCLUDED TO CITY OF KEY WEST

Note: Expenditures do not include any allocation of Management and General (Administrative) Expenses.

This financial report is unaudited.

**BCCLT**

**HOME OWNERSHIP PROGRAM**

**SALE PROCEEDS**

**NET DUE TO BCCLT RESTRICTED BY SALE PROCEEDS PER CITY**

**THE FOLLOWING HOMES HAVE BEEN SOLD**



Bahama Conch Community Land Trust of Key West, Inc. (BCCLT)

Proceeds from Sale of TIF Properties

Description	Expenses of Sale		Proceeds From Sale
<b>Sale of 901 Emma St to Stephanie L. Hellstrom:</b>			
Closing Date: 12/20/2001			
901 Emma Street			
Sales Price		80,000	
Expenses of Sale			
Accrued Property Taxes	939		
Property Taxes	1,193		
Utilities-Sewer	30		
Closing Costs	701		
Subtotal	2,863	(2,863)	
Proceeds from Sale of Property			77,137
Total Proceeds Emma Street			77,137

<b>Sale of 204 Olivia St to James Marquardt:</b>			
Closing Date: 12/21/2001			
204 Olivia Street			
Sales Price		96,000	
Expenses of Sale			
Accrued Property Taxes	1,018		
Property Taxes	1,186		
Utilities - Sewer	111		
Closing Costs	1,380		
Subtotal	3,695	(3,695)	
Proceeds from Sale of Property			92,305
Total Proceeds Olivia Street			92,305
TOTAL PROCEEDS FROM SALES OF OLIVIA AND EMMA STS.			169,442

Bahama Conch Community Land Trust of Key West, Inc. (BCCLT)  
 thru Fiscal Year To Date ending September 30, 2007  
 Proceeds from Sale of TIF and Non TIF Properties

Description	Expenses of Sale	Proceeds From Sale
<u>Proceeds from Sale of TIF Properties:</u>		
<u>Sale of 227 Virginia Street to Jane Pritchett</u>		
Closing Date: 11/14/2002		
227 Virginia Street		
Proceeds from Sale of Property		29,850
Total Proceeds from Sale of Virginia Street		29,850
<u>Sale of 1031 Howe Street to Cedric Sunray</u>		
Closing Date: 3/31/2004		
1031 Howe Street		
Proceeds from Sale of Property		9,121
Total Proceeds from Sale of Virginia Street		9,121
TOTAL PROCEEDS FROM SALE OF TIF PROPERTIES to Apply Against Reimursable Expenses		<u>30,971</u>

<u>Proceeds of Sale of Non-TIF Properties * Unrestricted Sale Income</u>		
<u>Sale of 308/310 Truman Ave to Stephan Washington</u>		
308/310 Truman Avenue		
Sales Price		74,192
Proceeds from Sale of Property		74,192
		0

<u>Proceeds of Sale of Non-TIF Properties * Unrestricted Sale Income</u>		
<u>Sale of 309 Julia Street (Single Family Home) to Kurlina McLeod</u>		
309 Julia Street		
Sales Price		81,505
Proceeds from Sale of Property		81,505
		0
TOTAL UNRESTRICTED Proceeds of Sale from Non-TIF Properties		155,697
		155,697

<u>Proceeds of Sale of Non-TIF Properties * Unrestricted Sale Income</u>		
<u>Sale of 222 Olivia Street</u>		
11/1/2004		
222 Olivia Street		
Sales Price		118,951
Proceeds from Sale of Property		118,951
		118,951
TOTAL UNRESTRICTED Proceeds of Sale from Non-TIF Properties		274,648
		<u>313,619</u>
901 Emma & 204 Olivia		169,442
TOTAL SALES PROCEEDS		<u>483,061</u>

SHAL Grant (reimburse for Rehab 307 & 307 1/2 & 209-211 Petronia Streets)  
TIF - Rehab 307 & 307 1/2

712,375

59,262

771,637

SHAL Expenditures 307-307 1/2 Julia St

463,317

SHAL 222 Petronia

400

SHAL Expenditures 209-211 Petronia Sts.

127,403

591,120

591,120

180,517

