

LOAN AGREEMENT

THIS LOAN AGREEMENT is entered into this ____ day of _____ 200__, by and between The Florida Department of Children and Families' Florida Recovery Home Loan Program, 1030 E. Lafayette St., Suite 100, Tallahassee, FL 32301-4559, (hereinafter defined and referred to as "the Department") and the following group of recovering individuals (hereinafter defined and referred to as the Borrowers):

The Sponsor/Cosigner (hereinafter referred to as Sponsor) defined as a private or public entity that chooses to accept the responsibility for the successful operation of the group recovery home and the legal liability for the repayment of the loan if the group fails to payback the loan according to the loan agreement.

(Name)

(Title)

(Name of organization)

and whose address is:

(Address: City, State, and Zip Code)

hereinafter referred to collectively as the "Borrowers".

WITNESSETH

1. Loan:

1.1. **Amount.** The Florida Department of Children & Families hereby agrees, subject to the terms and conditions set forth herein, to make a loan to Borrowers for the Premise, described below, the principal amount of _____. (\$_____) (the "Loan").

1.2. **Purpose.** The Loan will be used exclusively for the establishment of a self-run, self-supported home for recovering alcoholics and drug addicts (hereinafter defined and referred to as the Premise) at

(Address: City, State, and Zip Code)

1.3. Repayment of Loan.

- (a) The debt owed by Borrowers to the Department will be evidenced by the Borrowers' Promissory Note, in form and substance.

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- (b) Principal and late fees will be payable to the Florida Recovery Home Loan Program at 1030 E. Lafayette St., Suite 100, Tallahassee, FL 32301-4559, or at such other place as the Department or the subsequent holder of the Promissory Note designates in writing, in equal monthly installments of (\$) with the first monthly installment being due and payable on the day of , 200_, and continuing 'on the same day of each subsequent month thereafter until principal and late fees are paid in full. The principal amount and all accrued but unpaid late fees will be due and payable on the day of each month until the entire loan is repaid in full, but in no event longer than twenty-four (24) months from the commencement of this loan.
- (c) Borrowers will pay the holder of the Promissory Note a late fee of twenty-five dollars (\$25.00) or twenty percent (20%) of the over due payment for each installment not received within Fifteen (15) days after the installment is due.

2. Representations and Warranties of Borrowers:

2.1. **Use of Property.** The Borrowers' represent that the Premise (defined as the "dry" recovery home for which the loan is acquired) has been approved by all government agencies and authorities having jurisdiction over the project, and that the use of the property contemplated by the Borrowers will comply with all applicable local planning and zoning regulations when that is required.

2.2. **Borrowers Status.** Borrowers will obtain a charter from a nonprofit self-help organization for recovering alcoholics and drug addicts (e.g., Oxford House) within 120 days from the date of this Agreement. Upon obtaining the charter, Borrowers will immediately provide a copy of the charter to the Program. If a charter from a nonprofit self-help organization is not obtained within 120 days, the borrowers will not be eligible for any future loans.

2.3. **Use of Funds.** Borrowers agrees that all funds disbursed hereunder will be used only for the establishment of a self-run, self-supported home for recovering alcoholics and drug addicts or as otherwise approved in writing by the department, and such funds will not be used in any other manner or for any other purpose whatsoever.

2.4. **Operation of Home.** Borrowers agrees that the recovery home established pursuant to the Loan will be operated so that:

- (a) The use of alcohol or any illegal drug in the home will be prohibited;
- (b) Any resident of the home who violates such prohibition will be expelled from the home;
- (c) The costs of the home, including fees for rent and utilities, will be paid by the residents of the home; and
- (d) The residents of the home will, through a majority vote of the residents, establish policies governing residence in the home, including the manner in which applications for residence in the home are approved.

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- (e) Vacancies will occur and can make it difficult for the recovery house to pay its rent and other bills. The residents of the home shall report vacancies to the Sponsor immediately for the Sponsor may have a potential member to refer to the recovery house. The group shall contact local treatment providers to notify them of an available slot at the recovery house. The recovery house shall maintain an on-going list of potential or interested applicants. This list can be shared among recovery homes.

2.4. **Further Assurances.** Borrowers will comply with all terms and conditions of this Loan Agreement and any other documents executed pursuant hereto and will, when requested by the department, execute all instruments necessary to consummate the transactions contemplated hereby.

2.5. **Establishment of Home.** Borrowers will complete the Premise and operationalize (i.e., inhabit by the residents) the home as soon as practicable after the execution of this Loan Agreement but in no event later than the _____ day of _____, 200_.

3. Default:

3.1. **Events of Default.** Occurrence of one or more of the following events will, at the option of the department, constitute an event of default hereunder:

- (a) Any installment of principal and late fee required by the Promissory Note remains unpaid for more than ten (10) days after the due date thereof.
- (b) Default in the performance of any other term of this Loan Agreement.
- (c) Borrowers' insolvency, the appointment of a receiver for Borrowers or the institution of any bankruptcy proceeding by or against Borrowers.
- (d) Failure to obtain a charter from a nonprofit organization within 120 days as described in paragraph 2.2 above

3.2. **Remedies Upon Default.** Upon the occurrence of an event of default by Borrowers, the Department may declare the Promissory Note immediately due and payable and institute proceedings for its collection. The cost of collections will be paid by the Borrowers including attorney fees and costs.

4. Miscellaneous:

- 4.1. There will be no assignment of the rights and obligations of Borrowers under this Agreement without prior written approval of the department.
- 4.2. This Agreement is made under and will be governed by and construed under the laws of the State of Florida.

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- 4.3. The invalidity or unenforceability of a particular provision of the Agreement will not affect the other provisions hereof, and the Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted.
- 4.4. This Agreement constitutes the entire understanding of the parties and may not be modified, amended or terminated other than in accordance with the other provisions hereof and except in writing signed by each of the parties hereto.
- 4.5. All disbursements of the Loan, hereunder, will be made upon approval by the Department.
- 4.6. Sponsor/Cosigner Responsibilities and Eligibility Requirements
- (a) The Sponsor monitors activities of each house thereby certifying that the house is operating in accordance to the rules and guidelines of the program. This is achieved through on-site sponsored Alcoholics Anonymous and Narcotics Anonymous meetings, and keeping in touch with the members of the house on a regular basis through weekly reports, periodic phone calls, and by tracking vacancies. And last, on occasions, substituting the entire membership of a house should a house fail to adhere to the high standards required by the Charter.
 - (b) The Sponsor must sign the Loan Application and Loan Agreement with the group. By doing so, the Sponsor accepts and acknowledges the legal responsibility for the timely repayment of the loan.
 - (c) The Sponsor will assist the group in properly completing the necessary applications and forms required in obtaining a Florida Recovery Home Loan.
 - (d) Document the existence of an infrastructure upon which to initiate a program for the target population. The documentation must be in the form of a letter from the District Administrator or the district in which the Recovery Home will reside.
 - (e) Document that the Sponsor or at least one member of the sponsor consortium has provided substance abuse treatment or recovery services to the target population for a minimum of two years prior to the date of application.
 - (f) Provide in writing, approval by the local District ADM Program Supervisor of the validity of the eligibility requirement of 4.6 (e).

IN WITNESS WHEREOF the department and Borrowers have executed this Agreement the day and year first above written.

The Department:

BY:

(Signature)

(Title)

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The group of recovering individuals:

(Borrower Signature)		(Borrower Signature)	
Witness Signature	Witness Address	Witness Signature	Witness Address
(Borrower Signature)		(Borrower Signature)	
Witness Signature	Witness Address	Witness Signature	Witness Address
(Borrower Signature)		(Borrower Signature)	
Witness Signature	Witness Address	Witness Signature	Witness Address
(Borrower Signature)		(Borrower Signature)	
Witness Signature	Witness Address	Witness Signature	Witness Address

The Sponsor/Cosigner by signing this Loan Agreement acknowledges and represents that the individual signature of the Sponsor/Cosigner is of and by an individual legally obligated to repay the loan just as if it were the loan Applicants jointly and severally.

The Sponsor/Cosigner,

(Signature)

(Title)

(Name of Organization)

(Address: City, State, and Zip Code)

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State of Florida
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____ 200_.

by _____
(Name of person acknowledging)

(NOTARY SEAL)

(Signature of Notary Public-State of Florida)

(Signature of Notary Typed, Printed, or Stamped)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced: _____