

MEMORANDUM OF CLARIFICATION

The Housing Finance Authority of Palm Beach County, Florida (the "Authority") has entered into a Contract for Legal Representation (the "Contract") with Greenspoon Marder, P.A. ("General Counsel") dated November 7, 2011. A question has arisen regarding the fees to be paid to General Counsel under the Contract for services related to preliminary matters related to applications submitted by developers for multifamily housing revenue bonds. These preliminary matters may include:

1. Review of applications for compliance with Authority guidelines and legal requirements;
2. Drafting of an "inducement resolution" for consideration by the HFA Board and drafting and negotiation of the terms of a Memorandum of Agreement (MOA) with the proposed borrower and developer;
3. Review of documentation relating to selection of underwriters or bond purchasers, providers of tax credit equity and subordinate funding;
4. Drafting or review of TEFRA Notices;
5. Drafting or review of Agenda Item Requests and Resolutions required from the Board of County Commissioners by the ordinance creating the Authority; and
6. Matters relating to application for private activity bond allocation.

General Counsel's practice has been to bill the Authority for this preliminary work at the significantly reduced hourly rate provided by the Contract for services not related to multifamily bond issues. This is because many times transactions do not progress beyond these preliminary stages, and when a transaction fails to move forward there would be no way for General Counsel to be compensated for the work it has done.

The Authority receives a non-refundable application fee of \$1,500 with each application and a non-refundable "TEFRA Fee" of \$6,000 before it will schedule a TEFRA Hearing. We believe the expectation of the applicant is that these fees include whatever legal work is required of General Counsel.

The Authority also receives a Good Faith Deposit of \$55,000 at the time the applicant wants bond counsel to begin drafting bond documents. Our practice is to open up a separate matter for billing purposes once the Good Faith Deposit Fee is received, and no longer bill our time to the Authority. This is because if a transaction reaches the stage that the borrower has paid the Good Faith Deposit and the transaction does not close, General Counsel and Bond Counsel are paid for their time out of the Good Faith Deposit and the borrower and developer are responsible for any shortfall.

It was never contemplated by the Contract that General Counsel should work on a contingent basis. Therefore, we believe this clarification is consistent with the Contract.

However, as we discussed at the last HFA board meeting, we are willing to cap our fees for the preliminary work at \$1,500 at the application stage and \$5,000 at the TEFRA stages (recognizing that the Authority has some out of pocket costs at that stage).

Please indicate your agreement with this clarification by signing below.

HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA

By: _____

Date: _____

Name: _____

Title: _____

GREENSPOON MARDER, P.A.

By: _____

Date: _____

Morris G. (Skip) Miller, Shareholder