

AGENDA

Palm Beach County Housing Finance Authority

FRIDAY, MAY 10, 2019

9:00 A.M.

**Palm Beach County Airport Center
Complex
100 Australian Avenue
4th Floor (#4-790) Training Room
West Palm Beach, FL 33406**

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Agenda – May 10, 2019 regular meeting

Executive Director - Report on agenda items

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Meeting Agenda

May 15, 2019

PBC Airport Center – Human Resources Training Room 4-790
100 Australian Avenue, West Palm Beach, FL 33406

Housing Finance Authority of Palm Beach County

100 Australian Avenue, Suite 410
West Palm Beach, FL 33406
(561) 233-3656
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www.pbchfa.org



Chairperson

Patrick J. Franklin

Vice Chair

Gary P. Eliopoulos

Secretary

James H. Harper, Sr.

Clark D. Bennett

Robin B. Henderson

Charles V. St. Lawrence

Bobby "Tony" Smith

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Official Electronic Letterhead

I. Call to Order

- a. Roll call and establishment of quorum

II. Public comment on Agenda Items

III. Agenda Approval

- a. Additions, deletions, substitutions
- b. Adoption

IV. Consent Agenda

- a. Minutes of the March 15, 2019 meeting
- b. General Fund Requisition #4-2019
- c. MF project occupancy reports for February
- d. Second quarter FY 2018/19 general fund budget vs. actual

V. TEFRA Public Hearing – "Village of Valor Project"

VI. Old Business

- a. Presentation of responses to accountant "Request for Qualifications"

VII. New Business

- a. Consider multifamily bond application for "Mallards Landing" acquisition/rehab – Southport Development
- b. Consider multifamily bond application for "Pinnacle at Abbey Park" acquisition/rehab – Fairfield Residential
- c. Community Land Trust of PBC – Kirk Road project loan – consent to partial release repayment

VIII. Other matters

- a. Matters of Authority members
- b. Matters of the Executive Director and Professionals
- c. Matters of the Public
- d. Next meeting date: 9:00 a.m., Friday, June 14, 2019 at the PBC Airport Center, Human Resources Training Rm. 4-790

IX. Adjournment

To: Housing Finance Authority

From: Executive Director

RE: May 10, 2019 regular meeting

Dated: May 3, 2019

V. “Public Hearing – Village of Valor Project”

In November of 2017 the Authority reviewed the application for and approved an official action “inducement” in connection with the 157-unit “Village of Valor” project to be located on a four parcel site consisting of approximately 12 acres straddling the City of Lake Worth/Village of Palm Springs line on 2nd Avenue North just north of Lake Worth Road, west of I-95 and east of Congress Avenue. The owner developers are Shelbourne Development and the not-for-profit Faith*Hope*Love*Charity, Inc. The project was to have a veterans occupancy preference with 80% of the units rented to tenants at 60% of area median income (“AMI”).

The IRS Code requires that the public hearing be conducted within 12 months of the issuance of the bonds. They were unsuccessful in obtaining either competitive 9% housing tax credits or SAIL in the last two Florida Housing funding rounds, and as a result are now targeting project based on a tenant mix of 20% at 50% of AMI and 80% of the units at market rent with an income cap of 140% of AMI. The developer has advised that they now have the necessary funding/commitments to move forward with not more than \$28M of tax exempt bond financing and approximately \$2.2M of funds from Palm Beach County.

Included in the agenda materials is the form of notice of public posted to the Authority’s website at least 7 days in advance of the scheduled hearing date. A recent revenue procedure released by the IRS for approvals granted on or after April 1, 2019 allows for this reduced notice requirement, and for posting to the issuers website rather than publication in a local newspaper. Bonds must be issued within 12 months of the approval of the hearing results by the elected local government officials (i.e. the Board of County Commissioners).

V. “Old Business” items:

Item (a.) Presentation of responses to accountant “Request for Qualifications”

Responses to the Request for Qualifications (“RFQ”) for a CPA accountant/firm were due by noon on May 1. I had asked and the PBC Office of Equal Business Opportunity sent a notification email to their approved accounting/bookkeeper vendors on March 19 and again on April 26 regarding the RFQ and the deadline for submission. I did receive one email request for a copy of the RFQ. However I did not receive any response to the RFQ, not even from our previous accounting firm Weinstein Zugman LLC. I will reach out and attempt to find out why neither of these responded and report to the board at the May 10 meeting. At this time I am thinking that the first course of action would be to extend the due date for the RFQ to June 1, and follow up with personal conversations with no less than those on the PBC vendor list as well as any other local area CPA firms that do governmental work.

V. “New Business” items:

Item (a.) Consider application and approval of inducement resolution for “Mallards Landing” apartments - acquisition/rehabilitation – Southport Financial Services

Included in the agenda materials is the application from Southport Financial Services, Inc., of Tampa, Florida, requesting the consideration of the issuance of up to \$16M of short-term tax exempt bonds for the acquisition and rehabilitation of the 164-unit “Mallards Landing” apartments located at 1598 Quail Drive in the Westgate area of unincorporated Palm Beach County. The Authority’s bonds will be cash collateralized, rated “AA+” and publicly offered by RBC Capital Markets, and are to be redeemed in approximately 24-months. The bonds are needed to allow for the syndication/sale of 4% housing tax credits (“HTC”) but the permanent financing will be non-Authority issued taxable mortgage lien loans.

The Authority issued \$16M of bonds in 2013 for an entity of Southport to acquire and rehabilitate the 290-unit property now known as “Palms West” which is adjacent to and shares an entry road with Mallards Landings. Other partnership entities of Southport currently own two other Authority bond financed properties “Azalea Place” in West Palm Beach, and “Palm Gardens” in Lake Worth. The bonds issued by the Authority for Azalea

Place, now known as “Lake Mangonia” were redeemed in whole earlier this year, while the Palm Gardens bonds issued in 2007 are still outstanding.

The project consists of 18 two-story family garden apartments on 11+ acres constructed in 1985 and funded in part with \$6,065,000 of bonds issued by the Authority in 1984. The project was acquired and rehabilitated in 2001 in part with \$6,900,000 of bonds issued by the Authority and 4% housing tax credits (“HTC”); the bonds were redeemed in whole in 2015 and the property purchased by an entity of Southport for a then reported \$10.9M. The “Qualified Project Period” ended upon redemption of the 2001 bonds and the Land Use Restriction Agreement terminated.

The newly created Southport entity SP Mallards Landing LLC has entered into a contract to purchase the project for \$21M. They will assume an existing \$14,335,900 FHA 223(f) first mortgage, and enter into an up to 35-year \$4.4M FHA 241(a) supplemental rehabilitation second mortgage loan and the seller will take back a \$1M third lien non-amortizing loan. Other sources of funding include \$10M of HTC equity and \$2.1M of deferred developer fee.

Uses of funds include the \$21M purchase price; \$4.7M for rehabilitation of the property (approximately \$30K per unit). The rehab will be performed with the tenants in place including new roofs and exterior vinyl siding/lighting, parking/walkway repairs, and clubhouse repairs; and for each of the units new kitchens/appliances, interior repairs, new bathrooms, and A/C units; \$1.32M of financing, soft and other general development fees/costs; and a developer fee of \$4.69M. Southport has advised that the renovation work will be done on 8-10 units at a time and will not result in tenants having to leave the property.

The property has 164 units consisting of 2 1-bedroom/1-bath at 900 square feet, 160 2/2's at 950 square feet, one 3/2 at 1,100 square feet that will be rented to persons and families at 60% of Area Median Income (“AMI”) adjusted for family size with net HTC rents of \$994 to \$1,160 respectively. The project pro-forma, with a 5% vacancy/collection loss, demonstrates a solid 1.4x debt service coverage on the existing FHA first mortgage.

Items not submitted with the application is the letter exhibit for original zoning (this is an existing property but the developer is obtaining a letter from PBC Planning), and the environmental assessment (Phase I) which the applicant has indicated has been completed but not included in the application materials.

The anticipating schedule for this project is application/inducement consideration at the May 10 meeting, a TEFRA hearing at the June 14 meeting, with a bond authorizing

resolution and a credit underwriting report from First Housing presented in August or September. Board of County Commission approval of the TEFRA results and sale of the bonds is expected in August, and a bond closing in September. Rehab construction is expected to begin in October and be completed by July 2020. The form of inducement resolution to be considered at the May 10 meeting is included in the agenda materials.

Staff recommends a motion: to 1) approve the inducement resolution declaring preliminary approval for the issuance of not exceeding \$16,000,000 multifamily housing revenue bonds for the “Mallards Landing” apartments; 2) approve the applicants request to use First Housing Development Corporation as credit underwriter and RBC Capital Markets as bond underwriter/purchaser; and 3) assign Greenberg Traurig as bond counsel and Bryant Miller Olive as disclosure counsel.

Item (b.) Consider application and approval of inducement resolution for “Pinnacle Abbey Park” apartments - acquisition/rehabilitation – Fairfield Residential

Enclosed in the agenda materials is the application from Fairfield Residential Company LLC (“FF”), of San Diego, CA, requesting the consideration of the issuance of up to \$19M of tax exempt bonds for the acquisition and rehabilitation of the existing 160 unit “Pinnacle at Abbey Park” apartment complex located off of Forest Hill Boulevard west of Haverhill and east of Jog Road in unincorporated PBC. The project consists of eleven two-story garden style apartment buildings constructed in 2003/04 by The Pinnacle Housing Group with funding provided by the Authority from the issuance of \$11M of Series 2003 bonds (previously redeemed in whole in 2014), 4% HTC’s and a \$1M SAIL loan from FHFC. Partnership entities of FF previously owned the Emerald Bay, La Costa, Turtle Cove and Bayberry projects financed through bond issues of the Authority. They presently own and operate Vista Lago apartments on North Jog Road.

The 15-year HTC compliance period in connection with the Series 2003 bonds recently ended and FF has contracted to purchase the property from Pinnacle on or before August 20, 2019 for \$19.6M and the assumption of the SAIL loan using a taxable \$17.1M bridge loan plus their own funds. The Authority tax exempt loan (the “Note”) is expected to close before the end of 2019. Sources of funding totaling \$30.7M include the issuance of the \$16,625,000 Note insured by Freddie Mac and secured by a first lien mortgage with an all-in rate projected at 4.51% with a 35-year amortization and a mandatory tender no later than year 17 to be originated/purchased by CBRE Capital Markets, Inc.; a syndication by Raymond James of 4% HTC’s expected to generate \$8.5M; the re-subordination of the

existing SAIL loan from FHFC but paid down to \$650K, and \$2.2M of deferred developer's fee.

Uses of funds include the \$19.65M purchase price; \$5.2M for rehabilitation of the property including new roofs and exterior paint, new paving, improve landscaping, and clubhouse upgrades; and for each of the units new kitchens/appliances/countertops, hot water heaters and A/C systems all of which be energy/water conservation upgrades; \$3M of financing and general development fees/soft costs; and a developer fee of \$2.75M. FF has indicated that the renovation work will be done in 18 months and will not result in tenants having to leave the property.

The property has 160 units with a mix consisting of 122 2-bedroom/2-bath at 876 square feet and 48 3/2's of 1,001 square feet rented to persons and families at 60% of Area Median Income ("AMI") adjusted for family size with expected net HTC rents of \$1,063 and \$1,235, and SAIL restricted income and rents on 9 units at 30% AMI for net rents at \$498 and \$583, respectively, for the 2 and 3 bedroom units. The project pro-forma, with a 6% vacancy/collection loss, shows a 1.4x debt service coverage on the two perm loans at stabilization.

Items not submitted with the application is the letter evidencing the original zoning designation (this is an existing property but the developer is expected to obtain a letter from PBC Planning), and the environmental assessment (Phase I) which the applicant has indicated has been completed but not included in the application materials.

The anticipating schedule for this project is application/inducement consideration at the May 10 meeting, a TEFRA hearing at the June 14 meeting, and a final CBRE bond purchase commitment by September. The credit underwriting report and Board of County Commission approval of the TEFRA results and sale of the bonds is expected in the fall of this year, FHFC board approval of the SAIL loan subordination in September, and a bond closing before the end of 2019. Rehab construction is expected to begin in January 2020 and be completed by June of 2021. The form of inducement resolution to be considered at the May 10 meeting is included in the agenda materials.

Staff recommends a motion: to 1) approve the inducement resolution declaring preliminary approval for the issuance of not exceeding \$19,000,000 multifamily housing revenue bonds for the "Abbey Park" apartments; and 2) assign Bryant Miller Olive as bond counsel.

Item (c.) Community Land Trust of Palm Beach County – Kirk Road project loan
- Consent to change in partial release payment method

The Authority entered into a not-to-exceed \$1M revolving construction loan with the CLT in the late fall of 2017 to build up to six single family homes and two duplexes on scattered sites donated by Palm Beach County. The CLT also received a \$600K HOME grant from PBC that was funded during construction (the revolving line was drawn down and repaid from HOME proceeds) and converts to a forgivable second mortgage at the time of the purchase of the home. The loan has a two-year term, and interest rate of 2%, and matures October 31, 2019. The project, which ended up with just the six single family homes and an \$800K maximum loan limit, was expected to be completed by October of 2018 but issues with platting and delays with utility connections resulted in projected completion by July 1, 2019.

The loan agreement requires repayment of the amount advanced for the respective home, plus an accrued interest, for a partial release of the mortgage unless an alternative method is approved by the Authority. The CLT has made a request to change the repayment to a fixed amount per home (\$145K for one home that closed April 30, and \$130K from the other five) as a portion of the funding (\$60K) will now be coming from a Grounded Solutions/Citi Accelerator Grant and the CLT will be making up a shortfall of approximately \$5K.

Staff recommends a motion: to 1) approve a release price of \$145,000 for 2658 Kirk Road, and \$130,000 for the other five homes, and for staff to prepare the necessary supporting documentation for such change to the loan documents.

Tab 1

IV. Consent Items - attachments

- a.** Minutes of April 12, 2019 regular meeting
- b.** General Fund Requisition #4-2019
- c.** Multi-family project preliminary occupancy report for February
- d.** Second Quarter FY 2018/2019 general fund vs. actual

HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY
MINUTES

Meeting Date & Time:

9:00 A.M., Friday April 11, 2019

Location:

PBC Airport Center
100 Australian Avenue
4th Floor, Room 4-790
West Palm Beach

Attendance Sign-in Sheet/others

Dorothy Ellington, Delray Beach Housing Authority
Shirley Erazo, DBHA
Jakeleen Fernandez, DBHA
Jonathan Brown, PBC Housing & Economic Sustainability
Sherry Howard, PBC HES
Carlos Serrano, PBC HES

Staff and professionals:

David Brandt, Executive Director
Jennifer Hamilton, administrative assistant
Skip Miller - general counsel – Greenspoon Marder
Amanda Kumar – bond trustee/custodian - US Bank

I. Call to Order

a. Roll call and establishment of quorum

Vice Chair Gary Eliopoulos called the regular meeting of the HFA to order at 9:00 a.m. The five (5) members present at roll call constituted a quorum:

Patrick Franklin, Chair – absent during roll call

Gary Eliopoulos, Vice Chair – present

James Harper, Secretary – absent

Chuck St. Lawrence – present

Clark Bennett – present

Robin Henderson - present

Tony Smith – present

II. Public comment on Agenda Items

No comment from the public.

III. Agenda Approval

Mrs. Henderson moved approval of the agenda. The motion was seconded by Mr. Bennett and passed unanimously by a vote of 5-0.

IV. Consent Agenda

Mr. Smith moved approval of the consent agenda. The motion was seconded by Mr. Bennett and passed unanimously by a vote of 5-0.

V. Old Business

a. None

(Note - Chairperson Franklin arrived at the meeting)

VI. New Business

Item (a.) Consider loan application from Delray Beach Housing Authority – presentation by Dorothy Ellington

The Executive Director (“ED”) summarized the loan application from the Delray Beach Housing Authority (“DBHA”) prepared by its executive director Dorothy Ellington and her staff who were also in attendance for the presentation. He reviewed the project cost breakdown of \$18.5M and the contribution of the site and other funds by the DBHA, that they would be seeking finance assistance from the City of Delray Beach for permitting fees and possibly some down payment assistance as well. DBHA is requesting both a pre-development loan as well as a revolving construction loan secured by a first lien on the project site which has an appraised value of \$1.6M. There are to be nine buildings of six units each. The pre-development loan amount of up to \$750K would be rolled over into a construction of up to \$1.6M once the first building has been pre-sold.

Mrs. Henderson asked about the initial 1-year loan term and Mr. Bennett asked about the requested amount. ED responded that for build-out they would need a full term of three years, and that he suggested rounding the pre-development loan funding reservation commitment to \$750K and \$1.75M for vertical construction. He also suggested a mechanism to increase funding for a simultaneous additional building upon subsequent approval of the Authority. Mr. Eliopoulos asked Mrs. Ellington about projected square foot building costs to which she replied their original estimate was a \$106, the estimate for the application used \$112 but they expect to get a new update later in the week. Mrs. Henderson asked for elaboration of addition funding subsidies to which Mrs. Ellington stated they are working on getting \$800K from the city and have a commitment for a waiver of site plan review and permit fees. They have received \$281K from PBC for impact fees and will be seeking further funding from PBC HES for the project and/or homebuyer down payment assistance.

Mr. Eliopoulos asked if the Community Redevelopment Agency would be providing funding for the project. Mrs. Ellington said not yet but they do expect funding from them. She stated they’re currently in the early stages of pulling together other funding sources and have started the project with our own monies. The city has \$4M for affordable housing from the repayment of an old UDAG loan. While the project will limit sales to families that are at 140% of area median income and below the city is targeting 120 of AMI. Mr. Eliopoulos asked about the status of site plan approval to which Mrs. Ellington stated they are in that process now with a planning and zoning meeting next Monday night for conditional use. The site is three acres and they are requesting up to 24 units

per acre under the city's workforce housing ordinance for a total of 54 units.

ED stated he was prepared to make a recommendation that the board authorize staff to prepare pre-development/construction loan documents for presentation at the next board meeting with the pre-construction portion limited to \$750K, secured by a first lien on the project site and due in 12 months. This could be converted into a construction loan with a maximum term of 36 months upon certain conditions to be negotiated with DBHA prior to presentation to the Authority. He reminded that Authority that they are now determining the loan interest rate on a case-by-case basis.

Mr. Smith then made a motion to conceptually approve of a loan to the Delray Beach Housing Authority as recommended by staff with a zero interest rate. The motion was seconded by Mr. Eliopoulos for discussion.

Mr. Bennett stated his concern about lending at no interest and suggested charging even as low as 1% would be fiscally responsible. Mrs. Henderson agreed that she would support this loan at this interest rate.

Mr. Smith stated that he would accept an amendment to his motion for an interest rate of 1%, and Mrs. Henderson seconded the motion to amend. This motion passed unanimously by a vote of 6-0.

The Chair asked then asked to reconsider the original motion for staff to prepare loan documents for presentation but now including an interest rate of 1%. **Mr. Smith, as maker of the motion agreed, and the motion passed unanimously by a vote of 6-0.**

Mr. Smith asked if there could be a discussion with Mrs. Ellington about infill building on vacant lots in Delray Beach. Mrs. Ellington stated that the CRA is doing a good job of doing infill and other small developments. Mr. Eliopoulos stated that what the CRA is currently experiencing is that with new storm design requirements they are seeing cost increases beyond what most potential home buyers can afford.

Item (b.) General discussion of affordable housing initiatives and Authority participation

The ED stated that at the last meeting the board discussed the possibility of maybe working jointly with the HES and/or Habitat for Humanity, particularly in the Glades but also in other lower income areas of the county, to get more affordable single family home ownership housing built. Today Jonathan Brown and some of his staff from Housing & Economic Sustainability ("HES"), as well as Bernie Godek from Habitat for Humanity of

Palm Beach County (“HFH”), are here to discuss some of their current and upcoming initiatives.

Mr. Brown started with a follow-up to the previous discussion about infill in Delray and other areas of the county by stating that one of their SHIP Local Housing Assistance Plan (“LHAP”) strategies was the result of input from affordable housing developers requesting not only for new construction but in distressed neighborhoods that already have housing structures there is a need for acquisition and rehab funding. They are still working through details such as identifying the neighborhoods considered the most distressed but that hopefully could be turned around. Mr. Eliopoulos mentioned that in Delray even with free donated lots the cost of building was too high to target affordable incomes.

Mr. Brown stated they are receiving land that has escheated to PBC which they in turn donate to not-for-profit developers. They are currently working on Brook’s subdivision in Riviera Beach off of “S” Avenue that has 22 lots. They expect to put out a development RFP later this year for build out. Because of high cost of construction they are really looking for partners that can help buy down the cost. He stated that they had a meeting two days ago in Belle Glade as a follow up for residents in Belle Glade that had applied for their rehabilitation program but the values of the homes are so low such that the almost an amount of rehab work would equal or exceed fifty percent of the current value, which the building code would then require bringing the entire home up to current code. Since they can’t provide any meaningful rehabilitation to those homes the alternative is to look at an opportunity to demolish and rebuild. The Chair asked about homeowner relocation when a home is demo’ed and a new home built. Mr. Brown indicated the Community Services can provide some assistance, and that that they have had meeting with contractors recently to talk about alternative construction methods like modular houses, panelized, and container housing. Not only should this reduce construction costs but also the cost of interim housing for the homeowner. Mr. Eliopoulos also mentioned home relocation efforts that have been going on in the Delray area.

Bernie Godek of HFH briefly discussed their partnering with the City of West Palm Beach in a ten block area along north Tamarind Avenue, which included the Coleman Park area, where the city donated quite a number of properties to so over about a three year period they were able to build over twenty new homes, provided forty home preservation projects for owner occupied homes for critical home repairs, replacing roofs, putting in new hot water tanks and air conditioning systems.

Mr. Smith asked about a subdivision to Belle Glade that he had been involved with many years ago and asked about its current status. Carlos Serrano of HES stated it is the Abidjan Estates property, 76 single family lots 19 of which have been developed with homes and are occupied by various homeowners. He stated the 57 vacant lots are all owned by an investor out in West Virginia who hasn’t paid property taxes on them for some years. Tax

certificates have been sold to a number of different entities on various lots but none have pushed for an auction. In the past couple of years no one purchased the tax certificates so they were issued to PBC and eventually those properties would revert to the County so long as none of those investor's step up to pay off the prior certificate holders to take ownership. Mr. Godek stated he had driven through there recently and will he was unsure if most of the homes are occupied he said that the vacant lots are unrecognizable and it appears that the infrastructure has so deteriorated that it would have to be rebuilt. Mrs. Henderson asked when HFH is planning on looking at getting a satellite in the Glades to which Mr. Godek stated it will definitely be in this current fiscal year but no later than December.

The ED stated he will be following up and gathering additional information on the specific projects discussed today, then take a look at the gap levels or the funding requests, and present these to the board along with a recommendation on the amount of available funding. He anticipated that the first should be ready for discussion by the end of this summer.

No action was taken.

VIII. Other matters

Item (a.) Matters of Authority Members

None.

Item (b.) Matters the Executive Director and Professionals

General counsel Skip Miller provided a state legislative update on bills affecting affordable housing and the budget negotiations on Sadowski trust funding.

Item (c.) Matters of the Public

None

Item (d.) Next meeting date:

The Chair announced the next regularly scheduled meeting is 9:00 a.m., May 10, 2019 at the PBC Airport Center, Human Resources Training Rm 4-790, 100 Australian Avenue, West Palm Beach.

VIII. Adjournment

Mr. Smith moved to adjourn the meeting at 10:00 a.m. The motion was seconded by Mr. Eliopoulos and passed unanimously by a vote of 5-0.

Respectfully submitted,

Executive Director

Secretary



**Housing Finance Authority
of Palm Beach County**

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Official Electronic Letterhead

Date: April 10, 2019

To: Susan Fahimi
U.S. Bank Corporate Trust

From: David M. Brandt, Executive Director 

Re: General Fund Disbursement #4-2019

The following invoices/reimbursement requests are hereby presented for your approval and payment, with supportive documentation attached.

<u>PAYEE</u>	<u>AMOUNT</u>
Palm Beach County Board of County Commissioners (Feb.)	\$ 20,028.90
David M. Brandt (Feb. & March auto)	1,000.00
Greenspoon Marder (Feb. & Mar.)	1,100.00
United States Treasury (1st quart. 941)	248.51
Florida U.C. Fund (1st quart. 2018)	1.62
Palm Beach Newspapers (two legal notices)	251.12
US Bank Community Card	3,235.96
Florida ALHFA (conference sponsorship)	2,500.00
Caler, Donten, Levine, Cohen, Porter & Veil	<u>7,225.00</u>
Total General Fund Disbursement:	\$ 35,591.11

Confirmed by: 

Encls.

CC: Amanda Kumar, US Bank

Housing Finance Authority of Palm Beach County
Summary of Monthly Project Bond Program Reports
Preliminary February 2019

	Project:	Date	Per Rent Roll		Number of		Total	Total	Current	Last	2019
		Report	or FHFC Recap:		TICs included:						
		was	New	Annual	# of	# of					
		received	Move-in's	renewal	IC's (1)	AR's (1)					
							#	Occup.	months	months	average
							units	Units	occup.	occup.	occup.
1)	Azalea Place n/k/a Lake Mangonia) (#)(@)	3/18/19	0	7	0	7	150	122	81.3%	82.0%	81.7%
2)	Colonial Lakes (#)	3/14/19	1	n.a.	1	n.a.	120	119	99.2%	99.2%	99.2%
3)	Courts at Village Square (*) (#)	4/11/19	3	n.a.	0	n.a.	84	83	98.8%	100.0%	99.4%
4)	Green Cay Village (d/b/a Palm Park)	3/13/19	3	10	3	10	160	160	100.0%	100.0%	100.0%
5)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6)	Indian Trace (@)(#)	3/14/19	5	33	5	32	330	324	98.2%	99.7%	98.9%
7)	La Joya Villages (*) (#)	3/5/19	2	n.a.	2	n.a.	55	55	100.0%	96.4%	98.2%
8)	Lake Delray (*)	3/12/19	3	n.a.	3	n.a.	404	398	98.5%	99.0%	98.8%
9)	Malibu Bay (@)(*)(#)	3/11/19	0	n.a.	0	n.a.	264	249	94.3%	96.6%	95.5%
10)	New South Bay Villas (4)(*)	3/8/19	17	n.a.	17	n.a.	131	113	n.a.	n.a.	n.a.
11)	Palm Gardens (#)	3/11/19	0	3	0	3	80	79	98.8%	100.0%	99.4%
12)	Palms West (*) (#)	3/19/19	4	n.a.	0	n.a.	290	288	99.3%	98.6%	99.0%
13)	Paul Lawrence Dunbar Senior (#)(*)	3/18/19	0	n.a.	0	n.a.	99	99	100.0%	100.0%	100.0%
14)	Pine Run Villas (*) (#)	3/11/19	0	n.a.	0	n.a.	63	63	100.0%	100.0%	100.0%
15)	Pinnacle At Abbey Park (^)(@)(*)(#)	3/6/19	1	n.a.	1	n.a.	160	155	96.9%	99.4%	98.1%
16)	Pinnacle Palms (*) (#)	3/7/19	4	n.a.	4	n.a.	152	146	96.1%	98.0%	97.0%
17)	Renaissance (at San Marino) (#)	3/15/19	6	17	6	17	344	339	98.5%	98.5%	98.5%
18)	Riverview House (#)	3/14/19	4	9	4	9	160	152	95.0%	94.4%	94.7%
19)	Royal Palm Place (5)	4/9/19	19	n.a.		n.a.	125	73	n.a.	n.a.	n.a.
20)	Venetian Isles II (d/b/a San Marco VI) (^)(@)(#)	3/13/19	6	6	6	5	112	109	97.3%	91.1%	93.8%
21)	Westgate Plaza (*) (#)	3/8/19	1	n.a.	1	n.a.	80	80	100.0%	98.8%	99.4%
22)	Woodlake (@)(*)	3/14/19	5	n.a.	5	n.a.	224	223	99.6%	99.1%	99.3%
	Totals		84	85	58	83	3587	3429	97.5%	97.4%	97.4%
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.										
(2)	Expected first occupancy August 2019.										
(3)	Reserved.										
(4)	Project completed in January 2019.										
(5)	First occupancy began December 2018.										
(^)	Has prepaid the remaining issuer fee.										
(@)	Bonds have been redeemed in whole but Qualified Project Period still in effect.										
(*)	No annual recertifications are required as long as 100% of units are certified as "Low Income".										
(#)	Current monthly rents are at LIHTC maximum or all Section 8 above LIHTC rent.										

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary February 2019

	Project:	2018	2017	2016	2015	2018	2017	2016	2015	2018	2017	2016	2015
		ave.	ave.	ave.	ave.	monthly	monthly	monthly	monthly	monthly	monthly	monthly	monthly
		occup.	occup.	occup.	occup.	high	high	high	high	low	low	low	low
1)	Azalea Place (d/b/a Palm Grove)	87.5%	97.7%	99.6%	98.7%	92%	100%	100%	100%	83%	92%	99%	98%
2)	Colonial Lakes	97.8%	98.6%	99.9%	99.6%	100%	100%	100%	100%	95%	96%	99%	99%
3)	Courts at Village Square (1)(*)(#)	99.4%	n.a.	n.a.	n.a.	100%	n.a.	n.a.	n.a.	95%	n.a.	n.a.	n.a.
4)	Green Cay Village (d/b/a Palm Park)	99.9%	99.9%	99.4%	97.8%	100%	100%	100%	99%	99%	99%	99%	96%
5)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6)	Indian Trace	98.3%	98.9%	98.6%	97.9%	100%	100%	100%	99%	98%	98%	98%	96%
7)	La Joya Villages	92.2%	94.2%	98.9%	99.8%	100%	98%	100%	100%	96%	86%	95%	98%
8)	Lake Delray (3)	95.0%	90.0%	n.a.	n.a.	99%	94%	96%	n.a.	87%	87%	96%	n.a.
9)	Malibu Bay	96.0%	96.9%	96.1%	97.4%	99%	98%	99%	100%	94%	95%	92%	94%
10)	New South Bay Villas (4)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11)	Palm Gardens	99.0%	99.1%	99.1%	98.9%	100%	100%	100%	100%	96%	96%	98%	98%
12)	Palms West	99.3%	99.0%	98.6%	98.5%	100%	100%	100%	100%	97%	98%	98%	98%
13)	Paul Lawrence Dunbar Senior (5)	99.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14)	Pine Run Villas	99.1%	98.9%	98.8%	98.8%	100%	100%	100%	100%	95%	94%	97%	95%
15)	Pinnacle At Abbey Park	98.2%	97.4%	97.5%	96.9%	100%	99%	99%	100%	97%	96%	94%	91%
16)	Pinnacle Palms	97.6%	97.5%	98.6%	97.3%	99%	99%	100%	99%	95%	94%	97%	96%
17)	Renaissance (at San Marino)	97.4%	97.2%	97.9%	97.6%	99%	99%	99%	99%	96%	95%	96%	96%
18)	Riverview House	96.2%	96.4%	97.0%	95.1%	99%	100%	99%	99%	1%	92%	95%	91%
19)	Royal Palm Place (6)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20)	Venetian Isles II (d/b/a San Marco VI)	96.4%	98.1%	98.1%	99.6%	99%	100%	100%	100%	95%	96%	96%	98%
21)	Westgate Plaza	99.2%	99.8%	99.0%	98.9%	100%	100%	100%	100%	98%	99%	95%	98%
22)	Woodlake	99.1%	99.1%	99.4%	99.4%	100%	100%	100%	100%	96%	98%	98%	98%
	Totals (7)	97.2%	97.6%	98.5%	98.3%								
(1)	First occupancy January 2018												
(2)	First occupancy expected August 2019												
(3)	All rehabilitation completed by May 2018.												
(4)	First occupancy of rehabbed units began on March 29, 2018 and completed January 2019.												
(5)	Rent up completed in October 2017												
(6)	First occupancy December 2018												
(7)	Sum of the averages of each project												

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary February 2019

			2018	2017	2016	2015
	Project:	Location:	occup.	occup.	occup.	occup.
			turn	turn	turn	turn
			over	over	over	over
1)	Azalea Place (d/b/a Palm Grove)	Australian Ave. south of 25st Street, WPB	0%	7%	9%	15%
2)	Colonial Lakes	Lake Worth Rd. west of Haverhill Rd., Greenacres	30%	18%	28%	31%
3)	Courts at Village Square	NE corner of SW8th Street & Auburn Ave., Del. Bch.	2%	n.a.	n.a.	n.a.
4)	Green Cay Village (d/b/a Palm Park)	Off Jog Rd. south of Woolbright, Boynton Bch.	19%	16%	17%	26%
5)	Heron Estates Senior	2003 W. 17th Street off Congress Ave, Riviera Beach	n.a.	n.a.	n.a.	n.a.
6)	Indian Trace	N. Military Trail south of SR 710, Riviera Bch.	20%	31%	28%	38%
7)	La Joya Villages	6th Ave S. just east of US 1, Lake Worth	9%	7%	5%	5%
8)	Lake Delray	Lindell Blvd. east of I-95/south of Linton Blvd. Del. Bch	20%	5%	n.a.	n.a.
9)	Malibu Bay	Executive Center Dr. south of PB Lake Blvd. WPB	31%	25%	22%	35%
10)	New South Bay Villas	MLK and Palm Beach Road, City of South Bay	n.a.	n.a.	n.a.	n.a.
11)	Palm Gardens	4th Ave N. south of 10 Ave. N., Lake Worth	14%	19%	15%	24%
12)	Palms West	1551 Quail Drive off Westgate Ave, suburban WPB	28%	11%	9%	13%
13)	Paul Lawrence Dunbar Senior	906 Grant St, corner of Division and Grant, WPB	n.a..	n.a..	n.a..	n.a..
14)	Pine Run Villas	6th Ave S./Melaleuca west of Haverhill Rd. Lk. Worth	14%	14%	14%	19%
15)	Pinnacle At Abbey Park	Forest Hill Blvd. west of Haverhill, WPB	18%	25%	29%	30%
16)	Pinnacle Palms	Executive Center Dr. south of Congress Ave. WPB	20%	15%	19%	25%
17)	Renaissance (at San Marino)	N. Military Trail north of Roebuck Rd., WPB	27%	26%	24%	34%
18)	Riverview House	Lake Worth Rd. east of S. Military Trail, Lake Worth	36%	28%	34%	48%
19)	Royal Palm Place (5)	808&906-17th St & 805&811-15th St, WPB	n.a.	n.a.	n.a.	n.a.
20)	Venetian Isles II (d/b/a San Marco VI)	N. Congress Ave. south of Northlake Blvd., Lake Park	14%	22%	22%	27%
21)	Westgate Plaza	Quail Drive and Westgate Ave., suburban WPB	4%	4%	14%	10%
22)	Woodlake	N. Jog Rd. south of Okeechobee Blvd., WPB	20%	18%	15%	21%
		Totals (7)	19%	17%	19%	25%

Housing Finance Authority of Palm Beach County
 Summary of Monthly Project Bond Program Reports
 Preliminary February 2019

							Qualified		
Most restrictive tenant set aside requirements per HFA bond or other subordinate/HTC financing					Approx. QPP start date		Project Period end (approximate)		
100% HAP contract	1)	Azalea Place (d/b/a Palm Grove)			Apr-00		QPP for term of HAP		
25% @ 30%, 30% @ 50% AMI	2)	Colonial Lakes			May-13		2028		
100% HAP contract	3)	Courts at Village Square (fka Village Square Elder)			Jan-18		QPP for term of HAP		
100% @ 60% AMI	4)	Green Cay Village (d/b/a Palm Park)			May-07		2022		
50% HAP contract/10% @ 33% AMI	5)	Heron Estates Senior (1)			TBD		QPP for term of HAP		
20% @ 50% & 80% @ 60% AMI	6)	Indian Trace			Apr-03		QPP ends 2/28/2024		
25% @ 50% AMI per NSP2	7)	La Joya Villages			Feb-15		2030		
100% @ 60% AMI; 50% HAP	8)	Lake Delray			Dec-16		QPP end 11/30/2031		
100% @ 60% AMI	9)	Malibu Bay			Jun-05		QPP ends 6/6/2020		
HAP contract all but 1 unit	10)	New South Bay Villas (2)			Apr-17		QPP for term of HAP		
17% @ 30% and 83% @ 60% AMI	11)	Palm Gardens			Nov-08		2023		
2% @ 50% and 98% @ 60% AMI	12)	Palms West			Sep-13		2028		
100% HAP contract	13)	Paul Lawrence Dunbar Senior			Oct-17		QPP for term of HAP		
25% @ 30%/30% @ 50%/45% @ 60%	14)	Pine Run Villas			Oct-13		2028		
4% @ 30% & 96% @ 60% AMI	15)	Pinnacle At Abbey Park			Mar-04		QPP ends 3/1/2019		
100% @ 60% AMI	16)	Pinnacle Palms (3)			Jul-05		QPP ends not sooner than July 1, 2022		
25% @ 50% & 75% @ 60% AMI	17)	Renaissance (at San Marino)			2004?		2019		
100% @ 60% AMI	18)	Riverview House (4)			Aug-01		2016		
100% HAP contract	19)	Royal Palm Place (5)			Dec-18		QPP for term of HAP		
100% @ 60% AMI	20)	Venetian Isles II (d/b/a San Marco VI)			Jul-04		QPP ends 7/1/2019		
100% HAP contract	21)	Westgate Plaza			Nov-12		QPP for term of HAP		
100% @ 60% AMI	22)	Woodlake			Nov-13		2028		
	(1)	First occupancy expected August 2019							
	(2)	First occupancy of rehabbed units began on March 29, 2018 and completed January 2019.							
	(3)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18.							
	(4)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.							
	(5)	First occupancy December 2018							

	FY 2018/2019	FY 2018/2019	FY 2018/2019	FY 2018/2019
	Initial Budget	Budget adjustments	Projected Annual	Cash at 3/31/19
Operating revenues:				
Multifamily on-going fees	\$ 359,300		\$ 361,290	\$ 162,251
Multifamily one-time fees	\$ -		\$ -	\$ -
Single Family Loan Origination Fees	\$ 100,000		\$ -	\$ 153,606
Other	\$ -		\$ 1,000	\$ 1,000
Total Receipts	\$ 459,300	\$ -	\$ 362,290	\$ 316,857
Operating expenditures:				
Reimbursement to PBC	\$ 306,740		\$ 306,740	\$ 77,964
Accounting fees	\$ 18,462		\$ 12,000	\$ 12,000
Auditing fees	\$ 34,198		\$ 34,198	\$ 21,675
Legal	\$ 35,000		\$ 35,000	\$ 6,150
Other	\$ 52,000		\$ 52,000	\$ 19,084
Total Disbursements	\$ 446,400	\$ -	\$ 439,938	\$ 136,873
Income/(Loss) from operations	\$ 12,900		\$ (77,648)	\$ 179,984
Non-operating revenues/expenditures:				
Interest Income:				
from short-term investment	\$ 100,000		\$ 100,000	\$ 116,078
from single family MBS	\$ 25,000		\$ 25,000	\$ 23,021
DPA funding net of prepayments	\$ (350,000)		\$ (150,000)	\$ (106,669)
Total Non-Operating Revenues	\$ (225,000)	\$ -	\$ (25,000)	\$ 32,429
Increase/(decrease) in Net Position:	\$ (212,100)		\$ (102,648)	\$ 212,413
Beginning cash balance:	\$ 7,614,859		\$ 8,013,520	\$ 8,013,520
Change in cash:				
SF MBS principal payments	\$ 100,000		\$ 200,000	\$ 129,547
Net Revolving Loan funding	\$ -		\$ 742,097	\$ 742,097
Other	\$ (158,852)		\$ (52,381)	\$ (52,381)
Ending cash balance:	\$ 7,343,907	\$ -	\$ 8,800,588	\$ 9,045,195

			FY 2018/2019	FY 2018/2019	FY 2018/2019	FY 2018/2019
			Initial Budget	Budget adjustments	Projected Annual	Cash at 3/31/19
Beginning cash balance:			\$ 8,013,521		\$ 8,013,520	\$ 8,013,520
Increase in Net Position:			\$ (212,100)		\$ (102,648)	\$ 212,413
Net change in cash			\$ (58,852)		\$ 889,715	\$ 819,263
Ending cash balance:			\$ 7,742,569		\$ 8,800,588	\$ 9,045,195
Reservation of cash balance:						
DPA Fund - beginning	(1)		\$ (2,800,000)		\$ (2,800,000)	\$ (2,800,000)
DPA loans previously funded	(2)		\$ 1,728,851		\$ 1,728,851	\$ 1,728,851
Net change during fiscal year	(3)		\$ -		\$ (150,000)	\$ (106,669)
DPA Fund - remaining available			\$ (1,071,149)		\$ (1,221,149)	\$ (1,177,818)
Revolving Loan Fund - beginning	(4)		\$ (6,250,000)		\$ (6,250,000)	\$ (6,250,000)
Outstanding Revolving Loan balance			\$ 2,894,025		\$ 2,500,000	\$ 1,875,248
Net change in funding level			\$ -		\$ -	\$ -
Revolving Loan Fund - ending			\$ (3,355,975)		\$ (3,750,000)	\$ (4,374,752)
SF Loan Purchase Fund - beginning	(5)		\$ (1,650,000)		\$ (1,650,000)	\$ (1,650,000)
Defeasance of 2006-Sub 1 bonds	(6)		\$ (158,852)		\$ (158,852)	\$ (158,852)
Net change in funding level			\$ -		\$ -	\$ -
Use of funds			\$ -		\$ -	\$ -
SF Loan Purchase Fund - ending			\$ (1,808,852)		\$ (1,808,852)	\$ (1,808,852)
Unreserved cash balance	(7)		\$ 1,506,593		\$ 2,020,587	\$ 1,683,773
(1) DPA second mortgages in PBC under Lee TBA program. Funding reservation increased to \$2.8M at 9/9/16 meeting.						
(2) Total DPA loans originated in prior years.						
(3) DPA second mortgages funded with HFA funds net of DPA loan repayments.						
(4) Authorized \$4.6M at 9/18/15 meeting and increased to \$6.25M on 7/21/17.						
(5) Authorized at 9/18/15 meeting for future single family mortgage program and increased to \$1.65M on 7/21/17.						
(6) Authorization for defeasance of 2006-1 bonds issue on 5/9/14.						
(7) Estimate of unreserved surplus funds.						

Revol. Constr. Loan Fund commitments:		Date of reservation	Note maturity		
	Initial funding level	5/9/2014		\$	1,775,782
	Increases in funding level:	1/16/2015		\$	2,824,218
		9/9/2016		\$	400,000
		12/9/2016		\$	1,250,000
				\$	6,250,000
Construction loans and lines of credit:					Released reservation
	PBC CLT DL East	11/12/2010	matured	\$	(500,000)
	HFHPBC - Kennedy Ests. II	3/11/2011	matured	\$	(1,200,000)
	HFHSPBC	7/19/2013	matured	\$	(500,000)
	NOAH	9/11/2013	matured	\$	(200,000)
	WPBHA	5/30/2014	matured	\$	(250,000)
	WPBHA	5/8/2015	matured	\$	(500,000)
	PBC CLT DL West	1/16/2015	6/30/2019	\$	(3,400,000)
	WPBHA master LOC	11/18/2016	9/29/2020	\$	(250,000)
	FCLF participation for NR	12/9/2016	withdrew request	\$	(2,500,000)
	HFHSPBC	3/10/2017	10/1/2020	\$	(500,000)
	PBC CLT Kirk Rd. project	5/9/2017	10/31/2019	\$	(1,000,000)
	Palm Beach Habilitation Center	3/9/2018	4/20/2019	\$	(1,000,000)
			Previously committed	\$	(11,800,000)
			Currently committed	\$	(6,150,000)
			Currently uncommitted	\$	2,435,476.54

Tab 2

V. Public hearing - Village of Valor

- a. Public hearing notice posted to Authority website

NOTICE OF PUBLIC HEARING CONCERNING THE ISSUANCE, FROM TIME TO TIME, BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, OF NOT EXCEEDING \$23,000,000 OF ITS MULTIFAMILY HOUSING REVENUE BONDS (VILLAGE OF VALOR).

Notice is hereby given that on Friday, May 10, 2019, at 9:00 A.M., or as soon thereafter as possible, the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), will conduct a public hearing at:

**Palm Beach County Airport Center Complex
100 Australian Avenue
4th Floor, Conference Room #4-790
West Palm Beach, Florida 33406**

for the purpose of giving interested persons an opportunity to be heard regarding the proposed issuance by the Authority of its Multifamily Housing Revenue Bonds (Village of Valor) (herein the "Bonds"), in an aggregate principal amount of not exceeding \$23,000,000. The Bonds, which may be issued from time to time, would be used to finance a loan (the "Loan") to be made by the Authority to Village of Valor, Ltd, a Florida limited partnership, or its successor or assign (herein, the "Borrower"). The proceeds from the Loan will be used by the Borrower to finance the acquisition, construction, renovation and/or equipping of a 157 unit multifamily rental housing facility to be known as "Village of Valor," which units will be available for rental to qualified individuals and families of low, moderate and middle income (the "Project"). The Project will be located at 2431, 2441, 2559 and 2650, 2nd Avenue North in the cities of Lake Worth and Palm Springs, Florida 33461. The Project will be owned and operated by or on behalf of the Borrower.

The Bonds will mature not later than forty (40) years from their date of issuance and will be payable from the revenues of the Project and/or such other collateral or other security as shall be acceptable to the Authority. The Bonds will not constitute an indebtedness of the Authority, Palm Beach County, Florida, the State of Florida (the "State") or any other political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

At such public hearing, persons will be given an opportunity to express their views, both orally and through written statements which are submitted to the Authority on or before the public hearing. Written statements may be submitted to: David M. Brandt, Executive Director, Housing Finance Authority of Palm Beach County, Florida, at facsimile (561) 233-3657 or e-mail: dbrandt@pbcgov.org on behalf of the Authority. Should any person decide to appeal any decision made by the Authority, he will need a record of the proceedings and may need to ensure that a verbatim record of the proceedings is made, which record must include testimony and evidence upon which the appeals may be based.

In accordance with the Americans with Disabilities Act, persons with disabilities needing special assistance accommodations to participate in this proceeding should contact Mr. David M. Brandt, no later than five (5) days prior to the hearing at telephone number (561) 233-3652 for assistance; if hearing impaired, telephone the Florida Relay Service Numbers at (800) 955-8771 (TDD) or (800) 955-8700 (VOICE) for assistance.

This Notice is published pursuant to the requirements of Treasury Regulation Section 1.147(f)-1, implementing Section 147(f) of the Internal Revenue Code of 1986, as amended.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

Posted to website: April 9, 2019

Tab 3

VI. Old Business - attachments

- b.** Presentation of responses to accountant Request for Qualifications

Tab 4

VII. New Business - attachments

- a.** Consider multifamily bond application for Mallards Landing acquisition/rehab – Southport Development
 - i. Loan application and exhibits
 - ii. Inducement Resolution and Memorandum of Agreement
- b.** Consider multifamily bond application for Pinnacle at Abbey Park acquisition/rehab – Fairfield Residential
 - i. Loan application and exhibits
 - ii. Inducement Resolution and Memorandum of Agreement
- c.** CLT of PBC – Kirk Road project loan – consent to partial release repayment
 - i. Letter of request

Application for Multifamily Rental Housing Bond Program

Housing Finance Authority of Palm Beach County

Mallards Landing

Original

APPLICATION

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY RENTAL HOUSING BOND PROGRAM
PROJECT APPLICATION FORM**

A. Developer Information:

1. Applicant Name: SP Mallards Landing LLC
2. Name of Owner for Inducement Resolution: SP Mallards Landing LLC
3. Type of Entity (e.g. Florida corporation, limited partnership, etc): Limited Liability Corporation Ownership chart of the Entity including individual principals is provided as **“Exhibit 1”**.
4. Address: 5403 West Gray Street, Tampa, FL 33609
5. Contact Person: Brianne Heffner
6. Telephone: 813-288-1511
7. E-mail address: bheffner@sphome.com

B. Project Information

1. Project Name: Mallards Landing

NOTE: After Inducement, Project name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, 'marking' or d/b/a name.
2. Project Street Address/Zip Code (if new construction, give street names, city and zip code): 1598 Quail Drive, West Palm Beach, FL 33409
3. County Commission District in which Project is Located:7

C. Project Category and Population:

1. Choose all that apply:
New Construction Acquisition Remarketing
Rehabilitation Refunding Acquisition/Rehab

(a) If acquisition or acquisition/rehab was selected, is the project occupied?

No Yes If yes include plan for temporary relocation of existing tenants as “**Exhibit 2**”

2. Is the Project designated to serve a specific target group (i.e. elderly, disabled)? No Yes If yes, please specify and indicate an minimum age requirements of household members:

D. Project Status:

Has construction begun? No Yes Date permits issued

Is the project complete? No Yes Date CO issued

E. Number of Units:

Total Number of Units: 164

Number of Residential Units: 164

Number of Set-Aside Units:163

Percent of Set-Aside Units: 99%

F. Manager/Employee Units:

Are there one or more manager or employee units in the Project?

No Yes If yes, how many? 1 Unit Type(s): 1/1

G. Breakdown of Units by Square Footage and Monthly Rent Charged.

All units in the Project must be listed including all manager/employee units. Indicate manager/employee units with an asterisk.

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project)	Net Rent for Set- Aside Units	Monthly Market Rent+
2	1	900	2	60	\$2,259	\$270	\$1,989	\$994
2	2	950	160	60	\$180,703	\$21,600	\$159,103	\$994
3	2	1,100	1	60	\$1,304	\$144	\$1,160	\$1,160
*1	1	900	1	N/A	N/A	N/A	N/A	N/A

* NOTE: For any Project anticipating the use of tax credits, gross rents include the net rent plus the allowance for tenant-paid utilities for set-aside units. These rents may not exceed the allowable rents for the chosen set-aside as shown on the applicable rent charts by the FHFC. Rents will be capped based on set-aside chosen below or if lower due to other funding source(s).

Utility allowance of \$N/A 1 bedroom \$135 2 bedroom \$144 3 bedroom N/A 4 bedroom

+ NOTE: Answer for market rate units only.

H. Proposed minimum Set-aside required for Tax Exempt Bond Financing.

CHOOSE ONLY ONE:

- 20% of units at 50% of area median income
- 40% of units at 60% of area median income

I. Describe Project:

The subject is a 164-unit multi-family garden Low-Income Housing Tax Credit (LIHTC) property located at 1598 Quail Drive in West Palm Beach, Florida. The property consists of 18 predominantly two-story apartment buildings and a single-story clubhouse. The improvements were constructed in 1985, renovated in 2000 and are situated on an 11.26-acre site.

J. Describe Project Features, Amenities and any Resident Programs that will be provided:

The unit interiors feature a range, vent-hood, refrigerator, dishwasher, patio, and ceiling fan. The property features off-stree parking, perimeter fence, and on-site management.

K. Will any units be accessible to the handicapped?

Yes No How many? 0 *Will include 9 increased accessibility units

L. Type of Building(s):

- Elevator Walkup Townhouse
- Detached Semi-detached

M. Style of building(s), number of buildings and number of stories:

Pitched roof, vinyl siding, 17 residential buildings and one community building, 2 stories

N. Does the current Land Use and Zoning permit the proposed development at the proposed Density?

Yes No

If no, explain:

O. Project Financing And Proposed Structure:

1. Overview of Proposed Financing Summary:

NOTE: Material changes in the proposed structure after submittal of the application may result in delay of consideration by the Authority or loss of priority

	Check If app.	Amount	% of Project Cost
Tax-exempt Bonds	<input checked="" type="checkbox"/>	\$16,000,000	48%
Taxable Bonds	<input type="checkbox"/>		
SAIL	<input type="checkbox"/>		
HOME (State Funds)	<input type="checkbox"/>		
HOME (Identify Local Funds)	<input type="checkbox"/>		
CDBG	<input type="checkbox"/>		
SHIP	<input type="checkbox"/>		
LIHTC Equity (4% credits)	<input checked="" type="checkbox"/>	\$10,055,778	30%
Other	<input checked="" type="checkbox"/>	\$7,571,824	22%
Total	<input type="checkbox"/>	\$33,627,601	100%

Briefly describe sources listed above:

SP Mallards Landing LLC will be applying for 4% Low-Income Housing Tax Credits by the Florida Housing Finance Corporation in conjunction with tax-exempt bond financing to acquire and substantially rehabilitate Mallards Landing Apartments. Financing will also include assuming an existing FHA 223(f) first mortgage of \$14.34mm, a 241(a) supplemental loan of \$4.4mm, a seller note of \$1mm, and developer deferred fee of \$2.17mm.

2. Subordinate Financing:

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms,

amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **“Exhibit 8.”**

- (b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **“Exhibit N/A.”**
- (c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? Yes No

3. Tax Credits - If the Project receives Bond financing, will LIHTC be used?

Yes No

- (a) If yes, LIHTC Requested Amount \$\$10,055,778
- (b) If yes, name of Syndicator: Raymond James

A preliminary commitment letter, including general terms such as a description of how the syndication funding will be paid out during construction and following completion, must be attached hereto. Said letter shall be attached hereto as **“Exhibit 3.”**

- (c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes No
If yes evidence of such designations are attached as **“Exhibit’s 4.”**
- (d) If the project is subject to a FHFC location restriction (LDA) area attach a description as **“Exhibit N/A.”**

4. Rental Assistance. Is project-based rental assistance anticipated for this Project?

No Yes

If yes, check all that apply:

- Moderate Rehab
- RD 515
- Section 8
- Other

Number of units receiving assistance 0

Number of years remaining on rental assistance contract: N/A

Number of years expected for new rental assistance contract: N/A

5. Credit Enhancement or bond purchaser:

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (FHA-insured loan, Fannie Mae or Freddie Mac),

surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

See attached RBC terms letter.

A preliminary commitment letter/term sheet from the provider of such financing/credit enhancement shall be attached hereto as “**Exhibit 5**”

6. Proposed bond structure:

Type of interest rate expected: fixed floating

Term of Bonds including option put: 24 months

Estimated interest terms: 1.90%

Placement structure: private placement public offering

*Cash collateralized short-term construction bonds

7. Economic Feasibility of the Project:

A description of the Project feasibility structure shall be attached hereto as “**Exhibit 6**” including, at a minimum, the following:

- (a) Pro forma cash flows at maximum interest rate at which Project will work;
- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs.
- (c) The maximum annual debt service at which the Applicant commits to proceed: \$793,068
- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$\$16,000,000

P. Proposed Project Schedule

<u>Activity</u>	<u>Date</u>
HFA board meeting to consider application	5/2019
Final site plans & architectural drawings	5/2019
Complete third party credit underwriting	6/2019
Approval of subordinate financing	8/2019
All other necessary local approvals	8/2019
Obtain Credit Enhancement/Bond Purchase Commitment	8/2019
HUD approvals (if applicable)	9/2019
Issue bonds	9/2019

Start construction or rehabilitation	10/2019
Complete construction or rehabilitation	7/2020
Start rent-up	N/A
Complete rent-up	N/A

Q. Ability To Proceed

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Project.

1. Site Control

Site Control must be demonstrated by the Applicant through bond closing or termination of the Memorandum of Agreement. At a minimum, a Contract for Purchase and Sale or long-term lease must be held by the Applicant for the proposed site. A purchase contract must include the following: (i) the remedy for default on the part of the seller must include or be specific performance, (ii) the buyer MUST be the Applicant and, (iii) other than clear title, the only permissible contingency for seller or assignor to transfer the site to the Applicant is the award of bond financing.

Site is controlled by: FF Malards Landing LLC

Evidence of Site Control shall be attached hereto as “**Exhibit 7**” and shall be in the form of either:

- (a) Contract for Purchase and Sale or long-term land lease agreement (a Title Insurance Commitment may be requested to show marketable title in the name of the Seller).
- (b) Deed (a Title Insurance Policy Showing marketable title in the name of the Applicant may be requested).

2. Zoning and Land Development Regulations:

NOTE: Applicant must provide documentation that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use.

- (a) Is the site appropriately zoned for the proposed Project?
No Yes
- (b) Indicate zoning designation(s): PUD
- (c) Current zoning permits _____ units per acre, or 164 units for the site (PUD).
- (d) Total number of Units in Project: 164

- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as “**Exhibit N/A**”

3. Site Plan:

- (a) New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?

Yes No

If yes, a copy of the approved site plan shall be attached hereto as “**Exhibit N/A.**”

If no, local approval is expected on: N/A and a letter from the appropriate local government official indicating preliminary or conceptual site plan, or if no neither preliminary or conceptual approval is given prior to final site plan approval, a description of status of the local government review of the Project shall be attached hereto as “**Exhibit N/A**”

- (b) Rehabilitation: Was site plan approval required by local governmental authorities at the time this Project was originally placed in service?

Yes No

4. Environmental:

Has an Environmental Assessment been completed and if so describe any required remedial action necessary: **Yes, none.**

5. Concurrency:

Project-specific letters from the local government or provider verifying availability of infrastructure and capacity (water, sewer, road, and school) for the proposed Project shall be attached hereto as “**Exhibit’s N/A.**”

R. Other Information:

- (a) Do you presently have an application for this project submitted elsewhere or has this project been denied financing elsewhere?

Yes No

- (b) How many and what type of projects have you completed in the Palm

Beach County? 11

- (c) Applicant/borrower GP:
Firm: SP Mallards Landing LLC
Phone: 813-288-6988
Natural principals: Stephen W. Page
Contact Person: Brianne Heffner
- (d) Developer:
Firm: Southport Development Inc.
Phone: 813-288-6988
Natural principals: J. David Page
Contact Person: Brianne Heffner
- (e) Proposed Architect:
Firm: Architectonics Studio Inc.
Phone: 727-323-5676
Contact Person: Michael Arrigo
- (f) Proposed Managing Agent:
Firm: Cambridge Management Inc.
Phone: 253-564-2619
Contact Person: Susan Baaker
- (g) Proposed General Contractor:
Firm: Vaughn Bay Construction, Inc.
Phone: 813-867-3700
Contact Person: Scott Stockstad
- (h) Proposed Developer's Attorney:
Firm: Pepple Cantu Schmidt PLLC
Phone: 727-724-3222
Contact Person: David Cantu
- (i) Proposed Investment Banker (see Authority "Bond Underwriter Selection Policy") or private placement bond purchaser:
Firm: RBC Capital Markets
Phone: 727-895-8892
Contact Person: Helen Feinberg
- (j) Proposed Credit Underwriter:
Firm: First Housing FL
Phone: 813-289-9410
Contact Person: Edward Busansky
- (k) Provide the following for the property/project seller or lessor:
Entity: FF Mallards Landing LLC

Phone: 813-288-6988
Contact Person: Brianne Heffner

[Remainder of page intentionally left blank]

Certificate of Understanding

I, Brianne Heffner, representing SP Mallards Landing LLC, have read and understand the federal requirements and the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby adhere thereto. Furthermore, I hereby certify that the information contained in the Application is true and correct to the best of my knowledge.

Dated on this 9th day of April, 2019.

By: 
Printed Name: Brianne Heffner
Title: Vice President

Credit Enhancer/Bond Purchaser Certificate of Understanding

I, Helen Hough Feinberg, representing RBC Capital Markets, LLC, have read and understand the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby agree to adhere thereto.

Dated on this 9th day of April, 2019.


By: 
Printed Name: Helen Hough Feinberg
Title: Managing Director

Exhibit 1

Mallards Landing Apartments Organizational Chart

SP Mallards Landing LLC,
a Florida limited liability company
EIN 83-4254019

Manager

SP Mallards Landing Manager LLC
a Florida limited liability company
EIN: 83-4259091

Members

SP Mallards Landing Manager LLC .01%
Tax Credit Investor 99.99%

Manager/Member

Stephen W. Page 1%

Non-Manager Members

Trillium Housing Services 36%

Brianne Heffner 10%

Jennifer Ackerman 5%

J. David Page 9.8%

Stephen W. Page 3.9%

Paul W. Page 4.9%

Scott Seckinger 3.92%

Michael Molinari 3.92%

Paul C. Fortino 3.92%

Peter H. Leach & Associates Inc.

Defined Benefit Pension Plan 3.92%

Scott Stockstad 3.92%

Stephen W. Page, as Trustee of the J. David Page
and Arlene F. Page 2013 Irrevocable Trust 4.9%

The Baker Page Partners LLC 4.9%

Exhibit 2

Southport Development, Inc.

Mallards Landing Apartments 1598 Quail Drive, West Palm Beach, FL 33409 Tenant Relocation Plan

April 8, 2019

Southport Development, Inc. (the “Developer”) is a highly experienced owner of affordable housing communities throughout the nation. SP Mallards Landing LLC (the “Owner/Borrower”) will be applying for 4% Low-Income Housing Tax Credits by the Florida Housing Finance Corporation to acquire and substantially rehabilitate Mallards Landing Apartments, located at 1598 Quail Drive. in the City of West Palm Beach, an existing 163-unit affordable housing community (the “Property”).

The rehab at Mallards Landing Apartments will be performed with tenants in place. No relocation will be required as no plumbing or electrical work will entail any disruption for more than a couple of hours. In no event will electrical or plumbing services be disconnected overnight. Rehabilitation work will be performed Monday through Friday only with no tenant disruption during the weekend. Please see attached construction schedule. Tenants will each be provided five (5) storage containers to place loose personal belongings during the property rehabilitation.

Owner will maintain records throughout the rehabilitation process. Records will be available for inspection during site visits and/or inspections. These records will include current rent rolls, notices, comments, complaints, and questions from tenants, tenant expenditure and reimbursement records, and tracking of units being rehabbed during process.

Kitchens:

Two units a day will have the kitchens rehabilitated with new cabinets, appliances, faucet, sink. This is a two day process. Day one will include demo, existing cabinet removal, and paint. Day two will be installing of new cabinets, sink, and faucet. At the end of day one since the tenant will not have access to their cabinets the Developer will provide each unit with a \$25 gift card for the inconvenience. The tenant’s refrigerator will never be unplugged and tenants will have access through out rehabilitation.

Bathrooms:

Two to three units per day will have their bathrooms rehabilitated. Tenants will only have very minor interruption in the use of their bathroom and it will never be disconnected overnight. The bathrooms will received new low flow toilets, low flow showerheads, sinks, and low flow sink faucets. The plumber will start in unit one first thing in the morning and quickly replace all items listed above. The contractors estimate is that they will not lose bathroom capabilities for more than two hours. During that time the common area bathrooms will be open and available to all tenants.

Southport Development, Inc. will use one of the vacant units on site as a hospitality suite during the week. Tenants can use this space as a common space to retreat from the rehabilitation work in their unit if they so choose. This space has a kitchen that will be stocked with refreshments. The space is heated and cooled by a central heating and air condition system. The unit will be furnished and tenants will have access to a television with cable provided by the owner/developer.

The Owner/Borrower has executed a construction contract with Vaughn Bay Construction, Inc. (the "Contractor"), which has completed numerous affordable-housing rehabilitations of this type. The Developer intends to invest nearly \$30,000 per unit in total construction costs totaling approximately \$4.7 million. All costs associated with the relocation will be paid through the development/rehabilitation budget and not by the property.

The Owner and Contractor agree to conduct its relocation plan according to the general requirements and principals set forth in the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended ("URA") as follows:

- a) Tenants will be provided with daily access during business hours to an adviser, the Temporary Relocation Manager. The Owner, working with the Temporary Relocation Manager where appropriate will:
 - a. Provide notice of the date and approximate duration of the all work occurring in each unit;
 - i. Upon closing new owner will provide all residents with an Introduction/New Owner Notice and the General Information/Non Displacement Notice. These will notify of new ownership, management, house rules, Tenant Selection plan, and provide the rehabilitation non-displacement information.
 - b. Provide notice of scheduled rehab of each unit and of the location of onsite hospitality suite; A sample is attached.
 - c. Assist the tenant to calculate and make a claim for reimbursement of out-of-pocket expenses; and
 - d. Assist in processing any grievances and keeping appropriate records.
- b) All costs of moving, all other reasonable out of pocket costs related to a tenant's relocation costs if a temporary relocation is required will be paid by the Owner.

Contingency Plan:

In the event an unforeseen construction emergency occurs during construction causing tenant displacement from their unit the Owner and Developer will work with tenants to move them offsite for a limited period of time. The contingency plan would be to move tenants to a nearby hotel for up to two nights while the issue is rectified in the tenant's unit. The hotel will meet HUD standards and terms of physical condition and will be inspected and approved prior to occupancy by the tenant. At that time the Owner and Developer will cover all costs for hotel stay, per diem, and mileage to and from the hotel to Ridgewood Apartments from the development/rehabilitation budget.

Exhibit 3

RAYMOND JAMES

April 4, 2019

Mr. J. David Page
Southport Financial Services, Inc.
5403 W Gray Street
Tampa, FL 33609

Re: Partnership: SP Mallards Landing LLC
Property Name: Mallards Landing
City/State: West Palm Beach, Palm Beach County, FL

Dear Mr. Page:

This letter will confirm our agreement ("Agreement") whereby Raymond James Tax Credit Funds, Inc. ("RJTCF") shall attempt to effect a closing ("Closing") of an investment by a Fund sponsored by RJTCF (the "RJTCF Fund") in the above named partnership ("Partnership") on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

CURRENT ASSUMPTIONS:

I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

A. Project:

1. Acquisition / Rehabilitation
2. Units: 164 units
3. Estimated Construction Start Date: October 2019
4. Estimated Construction Completion Date: July 2020.
5. Estimated 100% Occupancy Date: N/A.
6. Set-aside Requirements: All one hundred sixty-four (164) units will be set aside for persons earning 60% or less of the area median income (AMI).
7. Rental Assistance: N/A
8. Management:
 - a. Company: Cambridge Management Inc.
 - b. Management Fee: Estimated to be \$96,559 (5.0% of EGI)
9. General Contractor: Vaughn Bay Construction, Inc.

B. Tax Credit Information:

1. Requested Credits: N/A – bond deal.
2. Assumed Partnership Annual Credits: \$1,069,871.
3. The RJTCF Fund's Share of Partnership Annual Credits: 99.99%.
4. RJTCF Fund's Assumed Annual Credits: \$1,069,764.
5. Applicable Fraction: 100%.
6. Applicable Percentage: 3.35% (floating).
7. First Credit Year: 2020.

C. Equity Investment:

1. Estimated \$0.9400 per dollar of the RJTCF Fund's Credits ("Credit Price"), subject to market conditions and availability of funds.
2. The RJTCF Fund's Estimated Total Capital: \$10,055,778.
Note that the RJTCF Fund's estimated actual contributions are based on actual credits delivered. If actual RJTCF Fund Credits are less than the assumed amount, estimated capital contributions will be reduced by the shortfall times the Credit Price. If actual The RJTCF Fund Credits are greater than the assumed amount ("Excess Credits"), then the RJTCF Fund estimated Capital Contributions will be increased by an amount equal to the Excess Credits times the Credit Price up to 105% of the Estimated Total Capital, unless such increase is attributable to an additional reservation of Credits. The RJTCF Fund will specify under which terms it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. The General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.
3. Installment Payment of Estimated Capital Contributions:
 - a. \$4,022,312 (40%) at Closing.
 - b. \$2,011,155 (20%) at 50% completion
 - c. \$2,011,155 (20%) at 75% completion
 - d. \$1,005,578 (10%) at Construction Completion.
 - e. \$1,005,578 (10%) at Stabilized Operations ("Stabilization Capital Contribution"), of which \$250,000 may be held back and paid when all required tax filing information and Forms 8609 are received and audited financials for the year of Breakeven Operations are available.

All payments will be subject to various deliveries required by the RJTCF Fund as described in the definitive documents, including without limitation, updates of representations and warranties previously given to the RJTCF Fund.

D. Developer and Development Fee:

1. Developer: Southport Development, Inc.
2. Estimated Development Fee: \$4,685,110

E. Reserves:

1. Replacement Reserve: \$48,900 per year (\$300 per unit per year) beginning at the earlier of six months after completion of construction or the first month of Stabilized Operations. In aggregate, no more than \$25,000 will be withdrawn from the Replacement Reserve in any calendar year without the approval of the RJTCF Fund.
2. An appropriate amount of Lease-up Reserves and Operating Reserves will be determined prior closing and mutually agreed upon according to the definitive documents. In general, the reserve accounts shall be established with a lending institution, acceptable to the Limited Partner, and such reserves shall be

maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow) and shall be used exclusively to pay for Operating Deficits incurred by the Partnership after the date of the Stabilization Capital Contribution. All withdrawals from the Operating Reserve Account that would cause aggregate draws in any one fiscal year to exceed \$25,000.00 shall be made only with the Consent of the Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

F. Asset Management Fee:

1. Asset Management Fee: The RJTCF Fund shall receive an annual asset management fee of \$5,000 per year.

G. Obligations of General Partners:

1. General Partners: TBD
2. General Partners' Capital: \$0 (estimate).
3. The General Partners agree that to the extent any deferred development fee has not been repaid from cash flow at the end of fourteen years from the date the property is placed in service (or at the time of removal of the General Partners), they will contribute sufficient capital so that the partnership can pay any amount of the deferred fee outstanding at that time.
4. Guaranties: The General Partners and Guarantors will be required to provide guaranties. Such guaranties will include, but are not limited to, a Completion Guaranty, Operating Deficit Guaranty, and a Tax Credit Guaranty. The requirements of the Guaranties will be provided in the Definitive Documents.

H. Obligations of the Guarantors:

1. Guarantors: The General Partner(s) and J. David Page
2. Guarantors guarantee that the General Partners will perform all of their obligations under the partnership agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee.

I. Definitive Documents

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Agreement of Limited Partnership, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJTCF will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. THE RJTCF FUND EXIT RIGHTS

The RJTCF Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period for a price equal to the amount the RJTCF Fund would receive if the Partnership sold the Project at fair market value, paid its debts and distributed the remaining assets in

accordance with the provisions relating to distribution of sales proceeds. If the General Partners fail to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

III. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the ability of the RJTCF Fund and its investor members to request and obtain HUD 2530 approval in accordance with the electronic filing requirements promulgated by HUD.
3. RJTCF and the RJTCF Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJTCF Fund and the fund to be necessary - at the Partnership's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. Satisfactory inspection of the property by RJTCF and the RJTCF Fund investors.
5. Approval by the Investment Committee of RJTCF and the RJTCF Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. Availability of investment funds.
7. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).

IV. TERM

The initial term of this Agreement shall be for a period of ten (10) months from the date of this letter, with a closing (Closing Date) no later than January 31, 2020, providing that either party may terminate this Agreement by giving the other party at least 30 days written notice and both parties can agree in writing to an extension. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

V. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum.

By acceptance of this letter, you authorize Raymond James Tax Credit Funds, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

For more than 25 years Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 2,000 properties nationwide. We look forward to working with you.

Sincerely,



John W. Colvin
Vice President - Director of Acquisitions
Raymond James Tax Credit Funds, Inc.

Accepted:


By: General Partner

4/5/19
Date

Exhibit 4

1598 quail drive, west palm beach

Map Options : [Clear](#) | [Reset](#) | [Full Screen](#)

- QCT Legend:**
- Tract Outline
 - LIHTC Project
 - 2019 Qualified Census Tracts
- SADDA Legend (%):**
- FMR Boundary
 - SADDA Boundary
 - 2019 Small DDA

Hide the overview

The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

Map Options

- 13 Current Zoom Level
- Show Difficult Development Areas (Zoom 7+)
 - Color QCT Qualified Tracts (Zoom 7+)
 - Show Tracts Outline (Zoom 11+)
 - Show FMR Outlines (Zoom 4+)
 - Show LIHTC Projects (Zoom 11+)

[Click here for full screen map](#)

Select Year

- 2019
- 2018

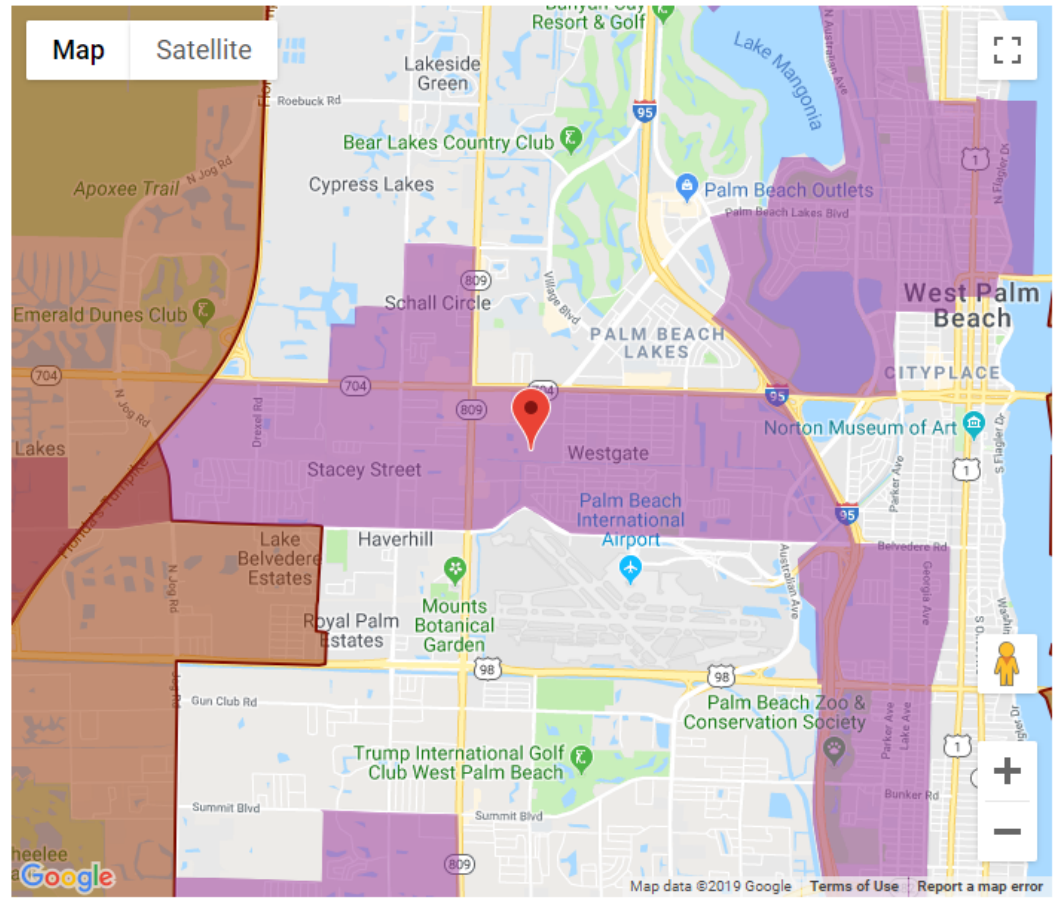


Exhibit 5



RBC Capital Markets®

Helen H. Feinberg
Managing Director
Manager - Housing Sector
100 2nd Avenue South, Suite 800
St. Petersburg, FL 33701-4337
Tel: (727) 895-8892 / Fax: (727) 895-8895
helen.feinberg@rbccm.com

**Housing Finance Authority of Palm Beach
\$16,000,000 Multifamily Housing Revenue Bonds, Series 2019 __
Mallards Landing**

April 5, 2019

SUMMARY OF FINANCING ASSUMPTIONS

The following Summary of Financing Assumptions is provided for discussion purposes only and does not constitute a commitment to purchase or an agreement to issue a commitment. Its terms are not all-inclusive. Additions and changes may be made as the Purchaser and its counsel deem necessary, prudent or desirable. No agreement (oral or otherwise) that may be reached during negotiations shall be binding upon the parties until final purchase documents have been executed by all parties.

Issue: \$16,000,000
Housing Finance Authority of Palm Beach County ("HFA" or "Issuer")
Multifamily Housing Revenue Bonds, Series 2019 __
Mallards Landing

Rating: Anticipated AA+

Denominations: \$5,000 or any integral multiple thereof.

Method of Sale: Public Offering - Underwriting by RBC Capital Markets

Financing The tax exempt bond financing has been sized to \$16,000,000* (subject to change). Funds will be held in cash or Permitted Investments that will secure the repayment of the bonds and will mature on or before the earlier to occur of the first optional redemption date, mandatory tender/redemption date or maturity. The release of the Bond proceeds to fund the acquisition and rehabilitation of the development will be restricted, contingent upon a like sum being funded to the Trustee and placed in the Collateral Fund. The principal and interest of the Bonds will be secured by a cash source, or Permitted Investments at all times until they are fully repaid. The Bonds will pay interest only until their maturity or their earlier date of redemption.

Borrower: SP Mallards Landing LLC

Development: The Bonds will finance the acquisition and rehabilitation of Mallards Landing, a 164 unit development located at 1598 Quail Driver, West Palm Beach, Florida.

Structure: The Bonds will be issued as fully registered bonds in book entry form and will be issued in denominations of \$5,000 or any integral multiple thereof. The Bonds will be collateralized by a cash source at all times with funds on deposit in the Project Fund, the Collateral Fund and Capitalized Interest Account, each held and administered by the Trustee. The Trustee will be

restricted from releasing Bond Proceeds until a like sum is placed on deposit in the Collateral Fund. The anticipated source of collateralization is a FHA 223(f) loan that will maintain a first lien position on the property and certain subordinate loan and/or bridge loan proceeds.

Dated Date:

Bond interest will accrue from the closing date.

Maturity Date:

The Bonds will mature approximately two years following the date of issuance. Based on market conditions and the expected length of the construction period, a longer or shorter maturity may be selected provided sufficient eligible funds are deposited with the Trustee to make payment of all principal and interest on the bonds through the earlier to occur of the maturity date or mandatory tender/redemption date.

Sinking Fund:

The Bonds will pay interest only throughout the term until maturity. There are no sinking funds anticipated in the structure.

Optional Redemption:

If applicable, the Bonds may be subject to optional redemption on such date that is confirmed by the borrower prior to pricing.

Interest Terms:

The Bonds will bear interest at a fixed rate that is payable semiannually. Based on current market conditions, the bond interest rate is expected to be approximately 1.90%.

Tax Status:

The Series 2019 Bonds are not subject to AMT.

Please call me with any questions regarding the proposed terms for the financing at (727) 895-8892.

Sincerely,

RBC CAPITAL MARKETS LLC



Helen Hough Feinberg
Managing Director, Housing Group

Accepted By:



Scott Seckinger, VP

Exhibit 6

OPERATING BUDGET PROJECTIONS - AS-STABILIZED

Mallards Landing
West Palm Beach, FL 33409

INCOME

		PUPA
Potential Rental Income	1,947,025	11,945
Less: Vacancy/Collection Loss 5.00%	-97,351	-597
Effective Rental Income	<u>1,849,674</u>	<u>11,348</u>

Utility Reimbursement	0	0
Interest Income	0	0
Laundry Income	21,197	130
Tenant Charges	0	0
Other Income	60,310	370
Total Other Income	<u>81,507</u>	<u>500</u>

TOTAL EFFECTIVE INCOME	<u>1,931,180</u>	<u>11,848</u>
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Variable Expenses

Payroll (Incl Mait, Tx, Benefits)	195,600	1,200
Maintenance Costs	90,000	552
Other Operating/Administrative	50,000	307
Audit Expense	15,000	92
Legal Professional Fees	10,000	61
Misc Taxes Licenses	0	0
Security	30,000	184
Bad Debt	0	0
SUBTOTAL VARIABLE EXPENSES	<u>390,600</u>	<u>2,396</u>

Fixed Expenses

Management Fee	96,559	592
Real Estate Taxes	128,200	787
Utilities - Electric	20,086	123
Utilities - Water/Sewer	35,000	215
Utilities - Trash	4,700	29
Insurance (Property/Liability)	95,000	583
SUBTOTAL FIXED EXPENSES	<u>379,545</u>	<u>2,328</u>

TOTAL OPERATING EXPENSES	770,145	4,725
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NET OPERATING INCOME	\$1,161,035	7,123
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R/R Contribution	48,900	300
Adjusted Net Operating Income	1,112,135	6,823

Debt Service - Must Pay	793,068	1.40	1st Mtg DSCR
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Cash Available for Supplemental	319,067		
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Supplemental Debt Service	261,970	1.05	DSCR to SAIL
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Cash Flow for Distribution	57,097		
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SOURCES AND USES OF FUNDS

Mallards Landing
West Palm Beach, FL 33409

SOURCES OF FUNDS

	CONSTRUCTION PERIOD		PERMANENT PERIOD	
First Mortgage - Existing FHA 223f		\$14,335,900		\$14,335,900
Excess Bonds - MMRB		16,000,000		
Supplemental		4,400,000		4,400,000
LIHTC Equity		9,050,200		10,055,778
Seller Note		1,000,000		1,000,000
Equity Bridge Loan		0		0
-		0		0
Deferred Fee	62%	2,927,401	46%	2,171,824
TOTAL SOURCES		<u><u>\$47,713,501</u></u>		<u><u>\$31,963,501</u></u>

USES OF FUNDS

Acquisition Costs	\$21,000,000	\$21,000,000
Construction Costs	4,712,000	4,712,000
Financial Costs	420,859	420,859
General Development Costs	531,740	531,740
Legal Costs	172,500	172,500
Agency Fees	191,292	191,292
Reserves	0	250,000
50% Bond Paydown	16,000,000	
Developer Fee	4,685,110	4,685,110
TOTAL USES OF FUNDS	<u><u>\$47,713,501</u></u>	<u><u>\$31,963,501</u></u>

DETAILED DEVELOPMENT BUDGET

Mallards Landing
West Palm Beach, FL 33409

		TOTAL	PER UNIT	AMOUNT ELIGIBLE	% of costs	PER SF
CONSTRUCTION COSTS						
Hard Costs						
	New Const Costs	0	0	0	0.00%	0.00
	Rehab Costs	3,800,000	23,313	3,800,000	7.92%	24.53
	Demolition	0	0	0	0.00%	0.00
	Accessory Buildings	0	0	0	0.00%	0.00
	Site Work	0	0	0	0.00%	0.00
	LC/PP Bond	0	0	0	0.00%	0.00
	Total Hard Costs	3,800,000	23,313	3,800,000	7.92%	24.53
	Contractor Fees 14%	532,000	3,264	532,000	1.11%	3.43
	Construction Contract Amount	4,332,000	26,577	4,332,000	9.03%	27.97
	Hard Cost Contingency 10%	380,000	2,331	380,000	0.79%	2.45
	Other	0	0	0	0.00%	0.00
	TOTAL CONSTRUCTION COSTS	4,712,000	28,908	4,712,000	9.82%	30.42
FINANCIAL COSTS						
Financing Fees						
	Perm Loan Orig - TPA Fee	143,359	880		0.30%	0.93
	Const Loan Orig	0	0	0	0.00%	0.00
	Bond COI	225,000	1,380		0.47%	1.45
	Application Fee	6,500	40	6,500	0.01%	0.04
	Const Monitoring	5,000	31	5,000	0.01%	0.03
	Miscellaneous FHA Costs	0	0	0	0.00%	0.00
	Other	15,000	92		0.03%	0.10
	Closing Costs				0.00%	0.00
	One Mo Payment	15,000	92	0	0.03%	0.10
	One Mo Reserves	1,000	6	0	0.00%	0.01
	Perm Loan Closing Costs	5,000	31	0	0.01%	0.03
	Cons Loan Closing Costs	5,000	31	5,000	0.01%	0.03
	Capitalized Interest - MMRB	0	0	0	0.00%	0.00
	Other - MISC FHFC Costs	0	0	0	0.00%	0.00
	TOTAL FINANCIAL COSTS	420,859	2,582	16,500	0.88%	2.72
GENERAL DEVELOPMENT COSTS						
General						
	Accounting	30,000	184	30,000	0.06%	0.19
	Architect - Design	80,000	491	80,000	0.17%	0.52
	Architect - CA	20,000	123	20,000	0.04%	0.13
	Architect - Landscape	0	0	0	0.00%	0.00
	Appraisal	5,000	31	5,000	0.01%	0.03
	Brokerage Fees	0	0	0	0.00%	0.00
	Building Permits	47,120	289	47,120	0.10%	0.30
	Building Permit Expeditor	0	0	0	0.00%	0.00
	Engineering Fees	25,000	153	25,000	0.05%	0.16
	Environ Report - Phase 1	2,500	15	2,500	0.01%	0.02
	Environ -Other (LBP/Asbest/Etc)	12,500	77	12,500	0.03%	0.08
	Impact Fees	0	0	0	0.00%	0.00
	Inspection Fees	12,500	77	12,500	0.03%	0.08
	Insurance - Builders Risk	0	0	0	0.00%	0.00
	Insurance - Prop/Liab	50,000	307	25,000	0.10%	0.32
	Insurance - Escrow	10,000	61	0	0.02%	0.06
	Market Study/RCS	0	0	0	0.00%	0.00
	Misc Costs	5,000	31	5,000	0.01%	0.03
	Payment and Performance Bond	47,120	289	47,120	0.10%	0.30
	PCR - Const Consultant	5,000	31	5,000	0.01%	0.03
	Pre Dev Loan Interest	0	0	0	0.00%	0.00
	Plan Review Fees	5,000	31	5,000	0.01%	0.03
	Survey	10,000	61	10,000	0.02%	0.06
	Taxes	25,000	153	12,500	0.05%	0.16
	Taxes - Escrow	25,000	153	0	0.05%	0.16
	Title/Recording Fees	65,000	399	65,000	0.14%	0.42
	Utility Connection Fees	0	0	0	0.00%	0.00
	Soft Cost Contingency	50,000	307	50,000	0.10%	0.32
	Other - Contractor Bid Costs	0	0	0	0.00%	0.00
	Legal					
	Borrowers Council	65,000	399	48,750	0.14%	0.42
	Borrowers HUD Council	30,000	184	30,000	0.06%	0.19
	Borrower Bond Council	25,000	153	12,500	0.05%	0.16
	Lender Legal	27,500	169	13,750	0.06%	0.18
	Syndicator Legal	25,000	153	12,500	0.05%	0.16
	Agency Legal	0	0	0	0.00%	0.00
	Other - Local GA Counsel	0	0	0	0.00%	0.00
	Agency Fees					
	FHFC Application Fee	3,000	18	0	0.01%	0.02
	FHFC Pre-Compliance	1,000	6	0	0.00%	0.01
	FHFC Compliance Monitoring	125,000	767	0	0.26%	0.81
	FHFC Admin Fee 8%	40,000	245	0	0.08%	0.26
	FHFC Credit UW Fee	22,292	137	22,292	0.05%	0.14
	Reserves					
	Reserves - ODR	250,000	1,534	0	0.52%	1.61
	Reserves - Bond Paydown	16,000,000	98,160		33.36%	103.29
	TOTAL GENERAL DEVELOPMENT COSTS	17,145,532	105,187	599,032	35.75%	110.69
ACQUISITION COSTS						
	Building Acquisition (Enter Full Price)	21,000,000	128,834	20,000,000	43.78%	135.57
	Brokerage Fee	0	0	0	0.00%	0.00
	Land Value - New Construction	0	0	0	0.00%	0.00
	Land Value - Acquisition/Rehab	1,000,000	0	0		
	Other	0	0	0	0.00%	0.00
	TOTAL ACQUISITION COSTS	21,000,000	128,834	20,000,000	43.78%	135.57
DEVELOPER FEE						
	Developer Fee 18%	1,085,110	6,657	1,085,110	2.26%	7.01
	Developer Fee - Acqu 18%	3,600,000	22,086	3,600,000	7.51%	23.24
	Consulting Fee	0	0	0	0.00%	0.00
	Other	0	0	0	0.00%	0.00
	TOTAL DEVELOPMENT FEE	4,685,110	28,743	4,685,110	9.77%	30.25
	TOTAL DEVELOPMENT COSTS	\$47,963,501	\$294,255	\$30,012,642	100.00%	\$309.64

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DEBT ASSUMPTIONS

**Mallards Landing
West Palm Beach, FL 33409**

<u>PERMANENT DEBT</u>	
Permanent 1st Mortgage	
Lender Name - Existing First	JLL 223f
TPA First Mortgage as of Sept 2019	\$14,335,900
Loan Amount/Unit	\$87,950
Interest Rate	3.50%
Amortizing (Yes/No)	Yes
Amortization Period (Yrs)	35
Term (Yrs)	18
Actual DSCR	1.40
Origination Fee	2.00%
Monthly Payment	\$66,089
Funds at?	Closing
Payment	HARDKEYED FROM NOTE \$793,068
Permanent 2nd Mortgage	
Lender Name	FHA 241(a)
Loan Amount	\$4,400,000
Loan Amount/Unit	\$26,994
Interest Rate (Incl Servicing)	4.80%
Amortizing (Yes/No)	Yes
Amortization Period (Yrs)	35
Term (Yrs)	35
Actual DSCR	1.05
Origination Fee	1.00%
Monthly Payment	\$21,831
Funds at?	Closing
Annual Payment	\$261,970
Permanent 3rd Mortgage	
Lender Name	Seller Note
Loan Amount	\$1,000,000
Loan Amount/Unit	\$6,135
Interest Rate (Incl Servicing)	8.00%
Amortizing (Yes/No)	No
Amortization Period (Yrs)	30
Term (Yrs)	18
DSCR Required	1.20
Actual DSCR	0.98
Origination Fee	1.00%
Monthly Payment	\$6,667
Funds at?	Closing
Annual Payment	\$80,000

<u>CONSTRUCTION DEBT</u>	
Construction Loan	
Lender Name	Palm Beach County HFA
Loan Amount	\$16,000,000
Loan Amount/Unit	\$98,159.51
Interest Rate	1.25%
Amortizing (Yes/No)	No
Amortization Period (Yrs)	-
Term (Yrs)	24
Actual DSCR	
Origination Fee	2.00%
Monthly Payment	\$16,667
Annual Payment	\$200,000
Equity Bridge Loan	
Lender Name	TBD
Loan Amount	\$0
Loan Amount/Unit	\$0
Interest Rate	6.00%
Amortizing (Yes/No)	Yes
Amortization Period (Yrs)	35
Term (Yrs)	18
Actual DSCR	
Origination Fee	1.00%
Monthly Payment	\$0
Annual Payment	\$0

<u>RATE STACK</u>	
Loan Type	Tax-Exempt Bond
Bond Rate	1.70%
Treasury Spread	0.06%
Enhancement	0.35%
Servicing	0.20%
Trustee	0.12%
Issuer	0.40%
Remarketing	0.20%
All-In Rate	3.03%

Mallards Landing will also provide the following on-site tenant programs;

- On-site health care (regularly scheduled visits, not less often than once each quarter, at a minimum, health screening, flu shots, vision and hearing tests, provided at no cost to tenants)
- Resident activities
- First time home buyer seminar
- Swimming lessons
- Life safety training
- Health and nutrition classes

Exhibit 7

PURCHASE AND SALE AGREEMENT

(Mallards Landing Apartments)

This Purchase and Sale Agreement ("**Agreement**") is entered into by and between SP Mallards Landing LLC, a Florida limited liability company ("**Purchaser**"), and FF Mallards Landing LLC, a Florida limited liability company ("**Seller**").

1. **Definitions.** The following capitalized terms in this Agreement shall have the following definitions:

1.1. "**Real Property**" or "**Land**" means that certain real property located at 1598 Quail Drive, West Palm Beach, Palm Beach County, Florida, legally described on Exhibit A, on which is located an 163-unit apartment complex, together with any and all rights, easements, and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, or rights-of-way.

1.2. "**Property**" means the "**Land**", as well as the "**Improvements**", "**Personal Property**", and "**Intangible Property**" defined and described on Exhibit B.

1.3. "**Purchase Price**" means US Twenty One Million Dollars (\$21,000,000.00).

1.4. "**Effective Date**" means the date that a copy of this Agreement, fully executed by Purchaser and Seller, is delivered to both Purchaser and Seller.

1.5. "**Closing Agent**" and "**Title Company**" means Pepple Cantu Schmidt PLLC, 2430 Estancia Boulevard, Suite 114, Clearwater, Florida 33761, Attn: Amber Williams, Esq. Direct 727.724.0100 Email awilliams@pcslegal.com, as agent for First American Title Insurance Company.

1.6. "**Escrow Agent**" means First American Title Insurance Company 13450 W. Sunrise Blvd Suite #300, Sunrise, FL 33323, Attn: Lucy Crawford, Direct Dial: 954-839-2944, Email: lcrawford@firstam.com.

1.7. "**Deposit**" or "**Deposits**" means an initial amount of \$100,000.00, plus, when paid, any other amounts designated as a Deposit or Deposits in this Agreement.

1.8. "**Contingency Review Period**" means the period commencing on the Effective Date and ending on September 1, 2019.

1.9. "**Closing Date**" means September 30, 2019.

1.10. "**State Agency**" or "**FHFC**" means Florida Housing Finance Corporation.

1.11. "**Transaction**" means the purchase and sale of the Property pursuant to this Agreement.

2. **Purchase and Sale.** Purchaser hereby agrees to buy, and Seller hereby agrees to sell, the Property on the terms of this Agreement, and subject to the conditions in this Agreement.

3. **Purchase Price.** The Purchase Price shall be payable in full at Closing. All payments from Purchaser shall be via wire transfer of collected federal funds.

4. **Deposit.** Purchaser shall deposit with Seller the Deposit. The Deposit shall be in the form of a promissory note due at Closing. The Deposits paid shall be applied towards the Purchase Price at Closing.

5. **Property Documents.** Commencing on the Effective Date, Seller agrees to provide to Purchaser copies of the documents and information ("**Property Documents**") relating to the Property in the possession or control of Seller and/or Seller's agents, including, but not limited to, those matters described on Exhibit C attached hereto (but only to the extent in the possession or control of Seller and/or Seller's agents). Updated Property Documents will be provided by Seller to Purchaser as updates become available. Seller may provide the Property Documents by: (a) delivery (including but not limited to delivery via email), (b) making available to Purchaser at Seller's office at the address in Section 26.2, (c) making available at the management office at the Property, and/or (d) making available for download via the internet. (Notwithstanding the foregoing, in no event shall Seller be required to disclose or provide to Purchaser the following information: attorney-client privileged information, proprietary information, confidential information, or private employee information, financial and tax information other than that listed on Exhibit C, previous agreements or proposals related to the sale of the Property, or appraisals or other valuation information.)

6. **Title Policy.**

6.1. Within two (2) business days after the Effective Date, Seller shall order from the Title Company a commitment ("**Title Commitment**") for the issuance of an ALTA Owner's Title Policy ("**Title Policy**") at Closing to Purchaser. The Title Company shall be instructed to deliver a copy of the Title Commitment and copies of exceptions to Purchaser, Seller, and their counsel. Purchaser shall give Seller written notice ("**Purchaser's Title Notice**") on or before the expiration of the Contingency Review Period as to whether the condition of title as set forth in the Title Commitment and/or any survey is or is not satisfactory, in Purchaser's sole discretion. In the event that the condition of title is not acceptable, Purchaser shall specify and set forth each of such objections ("**Objections**") in the Purchaser's Title Notice. Seller shall notify Purchaser in writing ("**Seller's Title Response**") within ten (10) days of receipt of Purchaser's Title Notice as to which Objections that Seller will not remove as of the Closing Date ("**Remaining Objections**"). If there are any Remaining Objections, Purchaser may, at its option by written notice within five (5) days after Seller's Title Response: (i) accept title subject to the Remaining Objections, in which event the Remaining Objections shall be deemed to be waived for all purposes, or (ii) terminate this Agreement, in which event any Deposits paid shall be immediately refunded to Purchaser and the Agreement Consideration shall be immediately disbursed by Escrow Agent to Seller. (In the event that Purchaser does not so notify Seller in writing within five (5) days after Seller's Title Response, Purchaser shall be deemed to have accepted title subject to the Remaining Objections and the Remaining Objections shall be deemed to be waived for all purposes.) Any exceptions permitted on the Title Policy pursuant to this Section 6.1 are referred to herein as "**Permitted Exceptions**". If the Title Company subsequently updates the Title Commitment with additional exceptions to title, the provisions for Purchaser's Title Notice and Seller's Title Response shall be reinstated with respect to the additional exceptions, with the Purchaser's Title Notice regarding the additional exceptions being due five (5) business days after the date that Purchaser receives the updated Title Commitment. Notwithstanding any of the provisions of this Section 6.1 to the contrary, if Purchaser fails to notify Seller that the condition of title as set forth in the Title Commitment and/or any survey is or is not acceptable within the times set forth herein, the parties hereby agree that the condition of title shall be deemed acceptable.

6.2. In the event that the issuance of the Title Policy requires a new or updated ALTA Survey ("**Survey**") of the Property, Purchaser shall obtain such Survey and provide it to the Title Company at least ten (10) business days prior to the initial Closing Date.

6.3. Purchaser's obligations hereunder are contingent upon the Title Company, at Closing, being irrevocably and unconditionally committed to issue to Purchaser the Title Policy in accordance with the title requirements listed in this Section 6 (subject only to payment of the premiums for the Title Policy), unless this contingency is not met due to Purchaser's failure to obtain the Survey as required in Section 6.2 or otherwise fail to meet the Title Company's requirements imposed on Purchaser for issuance of the Title Policy. If this contingency is not met on the Closing Date, this Agreement shall automatically terminate, in which event the Deposits paid shall be immediately refunded to Purchaser.

7. **Contingency Review Period.** Purchaser shall have until the expiration of the Contingency Review Period to review all aspects of the Property and the Transaction. In the event that Purchaser approves such review, Purchaser shall so notify Seller in writing ("**Purchaser's Approval Notice**") on or before expiration of the Contingency Review Period, and the Deposit shall become non-refundable except as specifically provided otherwise in this Agreement. In the event that Purchaser, on or before the time required by this Section 7, either: (a) does not provide the Purchaser's Approval Notice to Seller, or (b) notifies Seller in writing of Purchaser's disapproval of the Property and the Transaction, this Agreement shall automatically terminate as of the expiration of the Contingency Review Period, in which event the Deposits paid shall be immediately refunded to Purchaser.

8. **Inspections.** Purchaser and its agents shall be entitled to inspect the Property and conduct tests on the Improvements and the Land at any time or times prior to the Closing, upon at least one (1) business day's notice to Seller, in order to conduct the evaluations described in this Agreement (including without limitation, engineering studies, environmental site assessments, risk assessments, inspections for the presence of lead based paint and lead based paint hazards, evaluation of drainage and flood plain, borings and soil tests). The right granted to Purchaser to conduct the inspections is subject to the rights of any tenants of the Property with respect to any such inspection, and compliance with tenant leases and applicable laws, and to the inspections being conducted at reasonable times and accompanied by representatives of Seller. Any invasive testing shall be subject to Seller's prior written approval of a testing plan. No physical alteration of the Property is permitted, but if any physical alteration occurs, any physical alteration of the Property in connection with Purchaser's study shall be restored by Purchaser immediately upon demand by Seller, at Purchaser's sole expense. Purchaser shall indemnify Seller against any loss, damage or claim resulting from Purchaser's inspections and tests, except any arising from the discovery of preexisting conditions (so long as Purchaser does not exacerbate any such condition). Purchaser shall not act as Seller's agent in connection with such activities and has no authority to allow any liens to encumber the Property. Purchaser shall not allow any liens to encumber the Property arising out of such activities, and shall indemnify and hold Seller harmless from and against any liens, costs, expenses (including attorney fees), claims, liabilities, and obligations arising in any way out of such activities by Purchaser, as well as Purchaser's employees and agents. Notwithstanding anything to the contrary contained in this Agreement or in any addenda, amendments or modifications to this Agreement, Purchaser's obligations under this Section 8 shall survive the termination of this Agreement and/or Closing, and shall remain in full force and effect without time limitation until all of such obligations have been fully performed by Purchaser, and all amounts to be paid by Purchaser have been paid.

9. **Regulatory Agreement.** The Property is subject to one or more use agreements, regulatory agreements, and/or covenants (each a "**Regulatory Agreement**" and together the "**Regulatory Agreements**") recorded as an encumbrance or encumbrances against the Property in connection with FHFC requirements related to low income housing covenants and restrictions. The Regulatory Agreements shall be Permitted Exceptions, and shall be assumed by Purchaser at the Closing. Purchaser shall obtain any consent of FHFC required pursuant to the Regulatory Agreements, at Purchaser's sole expense. Purchaser shall submit applications for any required consents. Seller shall cooperate and join in such applications. Purchaser shall pay all costs, fees and charges incurred in connection with obtaining such consents, whether or not consent is obtained, and/or whether or not the Transaction closes, and this obligation shall survive the termination of this Agreement and/or Closing. At Closing, Purchaser shall assume in writing all obligations of the owner of the Property under the Regulatory Agreements.

10. **Contracts.** Subsequent to delivery of Purchaser's Approval Notice, Seller shall, upon written request from Purchaser, give appropriate notices of termination of any service, supply, security, maintenance, employment or other contracts or arrangements ("**Contracts**") with respect to the Property (other than the Permitted Exceptions), terminating such Contracts as of the Closing Date (or if a Contract cannot be terminated as of the Closing Date, such later date which is the earliest date that such Contract can be terminated in accordance with its terms without a termination fee or charge). In addition, effective as of the Closing Date, Seller shall terminate all property management agreements with respect to the Property. Any Contracts which are not terminated as of the Closing Date in accordance with this Section 10 shall be assigned to, and assumed by, Purchaser at the Closing.

11. **The Closing and the Closing Date.** The sale and purchase of the Property shall be consummated at a Closing to be held on the Closing Date at the offices of the Closing Agent. Purchaser may select an earlier Closing Date upon at least five (5) business days' written notice to Seller. Neither party need be physically present at the Closing. As used in this Agreement, the term "**Closing**" shall mean the date all of the documents necessary to transfer title to Purchaser are sent for recording with the appropriate County Clerk and the sales proceeds are available to Seller. Title to and possession of the Property shall transfer to Purchaser at Closing.

12. **Seller's Obligations at the Closing.** At the Closing, Seller shall do the following, through Closing Agent:

12.1. Execute and deliver to Purchaser and the Title Company:

12.1.1. A special warranty deed (the "**Deed**") conveying to Purchaser fee simple title to the Real Property and Improvements on the form attached hereto as Exhibit D.

12.1.2. A Bill of Sale, Assignment, and Assumption Agreement on the form attached hereto as Exhibit E.

12.1.3. A completed Agreement for the Transfer of Advertising & Online listings in the form attached hereto as Exhibit F.

12.1.4. A FIRPTA Affidavit.

12.1.5. All other agreements to be executed by Seller as specified herein.

12.2. Execute and deliver to the Title Company: (i) such affidavits and other evidence as the Title Company may require so as to enable the Title Company to issue the Title Policy in accordance with this Agreement; and (ii) satisfactory evidence that all necessary corporate, partnership, or other action on the part of Seller has been taken with respect to the execution and delivery of this Agreement and the consummation of the Transaction so that all of said documents are or will be validly executed and delivered and will be binding upon the Seller.

12.3. Deliver to Purchaser all tenant leases affecting the Property which are in effect as of the Closing Date, and a Certified Rent Roll certified by Seller (or the property management company managing the Property) to be correct no earlier than five (5) business days prior to the Closing Date.

12.4. Deliver to Purchaser all documents, records, plans, keys, permits and other items related to the Property which are in Seller's possession or control.

12.5. Deliver to Purchaser a letter from Seller's management company addressed to all tenants directing the tenants to make all future payments to Purchaser's management company, and otherwise complying with any legal requirements regarding the transfer of tenant deposits.

12.6. Execute and deliver to Purchaser a certificate, dated as of the date of Closing and executed by Seller, stating that the representations and warranties of Seller contained in this Agreement are accurate in all material respects as of the date of Closing, subject to any updated information as provided in accordance with Section 14.12.

12.7. Execute a settlement statement ("**Seller Settlement Statement**") setting forth any debits and credits payable in connection with the Closing. Seller hereby authorizes Closing Agent, to provide FHFC and/or any servicer of FHFC a copy of Seller's Settlement Statement, upon FHFC's or FHFC's servicer's request.

12.8. Execute any documents required by FHFC in connection with the transfer of the Property and the assignment and assumption of the Extended Low-Income Housing Agreement entered into with FHFC with respect to the Property.

12.9. Execute and deliver to Purchaser such additional documents as are necessary to carry out the provisions of this Agreement.

13. **Purchaser's Obligations at the Closing.** At the Closing, Purchaser shall do the following, through Escrow Agent:

13.1. Deliver to Seller the Purchase Price.

13.2. Execute and deliver to Seller executed counterparts of the Bill of Sale, Assignment, and Assumption Agreement.

13.3. Execute a settlement statement ("***Purchaser Settlement Statement***") setting forth any debits and credits payable in connection with the Closing. Purchaser hereby authorizes Closing Agent, to provide FHFC and/or any servicer of FHFC a copy of Purchaser's Settlement Statement, upon FHFC's or FHFC's servicer's request.

13.4. Execute any documents required by FHFC in connection with the transfer of the Property and the assignment and assumption of the Extended Low-Income Housing Agreement entered into with FHFC with respect to the Property.

13.5. Execute and deliver to Seller such additional documents as are necessary to carry out the provisions of this Agreement.

14. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser the following:

14.1. Seller is duly formed, validly existing and in good standing under the laws of the State of its formation and has all requisite powers and all material governmental licenses, authorizations, consents and approvals to enter into and perform its obligations hereunder and under any document or instrument required to be executed and delivered on behalf of Seller hereunder.

14.2. This Agreement has been duly authorized by all necessary action on the part of Seller, has been duly executed and delivered by Seller, constitutes the valid and binding agreement of Seller and is enforceable in accordance with its terms. The person executing this Agreement on behalf of Seller has the authority to do so.

14.3. The execution and delivery of, and the performance by Seller of its obligations under this Agreement will not contravene, or constitute a default under, any provision of applicable law or regulation or any agreement, judgment, injunction, order, decree or other instrument binding upon Seller or to which the Property is subject.

14.4. Seller has not received any written notice of any threatened or actual cancellation or suspension of any certificate of occupancy or other certificate, license or permit for any portion of the Improvements.

14.5. To Seller's knowledge, except as may be contained in the Property Documents and other documents provided to Purchaser, no Hazardous Materials (as hereinafter defined) exist on or under the Property in violation of law. Hazardous Materials means: (a) substances defined as "hazardous substances," "hazardous materials," or "toxic substances" under federal, state or local law; (b) asbestos and any form of urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid or other fluids containing levels of polychlorinated biphenyls; (c) petroleum and/or petroleum products or by-products; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of the properties adjacent to the Property.

14.6. To Seller's knowledge, except as may be contained in the Property Documents and other documents provided to Purchaser, there currently are no underground storage tanks on the Property.

14.7. Except as may be contained in the Property Documents and other documents provided to Purchaser, Seller has not received any written notice of any pending judicial, municipal or administrative proceedings affecting the Property, including, without limitation, proceedings for or involving collections, condemnation, eminent domain, or alleged building code or environmental or zoning violations.

14.8. All real estate taxes and assessments affecting the Property are paid current and not delinquent as of the Effective Date.

14.9. Any Contracts disclosed as part of the Property Documents and other documents provided to Purchaser, and/or shown as exceptions on the Title Commitment, constitute all of the Contracts affecting the Property. Seller has not received any written notice of uncured default and Seller has no knowledge of any existing uncured defaults under the Contracts.

14.10. Each certified rent roll ("**Certified Rent Roll**") to be provided pursuant to this Agreement shall be certified by Seller (or the property management company managing the Property) to be true, correct, and complete to its knowledge, and shall contain for each tenant and each tenant's lease the following information: commencement date of the lease; termination date of the lease; monthly rent; monthly additional rent; security deposits (any amounts previously applied to charges shall also be shown); prepaid rents; any other payments or credits applicable to that lease.

14.11. At all times prior to closing contemplated by this Agreement, Seller: (i) shall not be a Prohibited Person; and (ii) shall be in full compliance with all applicable orders, rules, regulations and recommendations promulgated under or in connection with United States Presidential Executive Order 13224 ("**Executive Order**"), the Annex to that Executive Order ("**Annex**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("**Patriot Act**"). The term "**Prohibited Person**" shall mean any person or entity which meets any of the following criteria:

14.11.1. A person or entity listed in the Annex to, or otherwise subject to the provisions of, the Executive Order.

14.11.2. A person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise subject to the provisions of, the Executive Order.

14.11.3. A person or entity with whom a party is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order.

14.11.4. A person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order.

14.11.5. A person or entity that is named as a "specially designated national and blocked person" on the most current list ("**List**") published by the U.S. Department of the Treasury, Office of Foreign Assets Control at its official website (www.ustreas.gov/ofac) or at any replacement website or other replacement official publication of such list.

14.11.6. A person or entity who is an Affiliate of a person or entity listed in this Section 14.11.

14.12. If, after the Effective Date, any event occurs or condition arises that renders any of the Seller's representations and warranties in Section 14 untrue or misleading in any material respect, and Seller has actual knowledge of the same, Seller shall promptly notify Purchaser in writing of such

event or condition. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the date of Closing and (ii) is expressly permitted under the terms of this Agreement or is beyond the reasonable control of Seller to prevent. If a notice from Seller pursuant to this Section 14.12 indicates any material adverse change in the representations and warranties made by Seller, Purchaser shall have the right to terminate this Agreement by written notice to Seller within ten (10) days after Seller's notice, in which event the Deposits paid shall be immediately refunded to Purchaser. If Purchaser does not terminate this Agreement within such time period, Purchaser's termination right in this Section 14.12 shall lapse.

15. **Representations and Warranties of Purchaser.** Purchaser represents and warrants to Seller the following:

15.1. Purchaser is duly formed, validly existing and in good standing under the laws of the State of its formation and has all requisite powers and all material governmental licenses, authorizations, consents and approvals to enter into and perform its obligations hereunder and under any document or instrument required to be executed and delivered on behalf of Purchaser hereunder.

15.2. This Agreement has been duly authorized by all necessary action on the part of Purchaser, has been duly executed and delivered by Purchaser, constitutes the valid and binding agreement of Purchaser and is enforceable in accordance with its terms. The person executing this Agreement on behalf of Purchaser has the authority to do so.

15.3. The execution and delivery of, and the performance by Purchaser of its obligations under this Agreement will not contravene, or constitute a default under, any provision of applicable law or regulation or any agreement, judgment, injunction, order, decree or other instrument binding upon Purchaser.

15.4. At all times prior to Closing contemplated by this Agreement, Purchaser: (i) shall not be a Prohibited Person; and (ii) shall be in full compliance with all applicable orders, rules, regulations and recommendations promulgated under or in connection with the Executive Order and the Patriot Act.

16. **Seller Covenants.** Seller hereby covenants as follows:

16.1. Until the Closing Date, Seller shall maintain the Property in substantially the same condition and quality as such was in at the time of the physical inspection of the Property by Purchaser, except for normal wear and tear, and subject to Section 26.5.

16.2. Seller shall pay all real estate taxes and assessments affecting the Property current up to the Closing Date.

16.3. Seller shall continue to operate the Improvements in the ordinary course of business between the Effective Date and the Closing Date, such operation to include the continuation of maintenance and repair programs.

16.4. Seller shall cause all apartment units on the Property which become vacant more than five (5) days prior to Closing to be in a "rent ready" condition, and to the extent that any such units are not in rent ready condition on the Closing Date, Purchaser shall receive a credit at Closing equal to \$1,000.00 for each such unit not in "rent ready" condition. One business day prior to Closing, Seller and Purchaser (or their designated representatives) shall inspect the Property and agree upon the number of non "rent ready" units. The term "rent ready" shall mean cleaned and prepared for occupancy for a new tenant consistent with Seller's current standards for units available for rent.

16.5. If Seller is aware of any bed bug infestation of any of the buildings and/or apartment units, Seller shall complete a bed bug removal treatment for such buildings and units prior to the Closing, in accordance with customary and reasonable industry practices. Seller shall provide to Purchaser

documentation evidencing the treatment. Purchaser shall receive a credit at Closing equal to \$1,000.00 for each and every building and apartment unit for which such treatment is not completed prior to Closing.

17. **Survival.**

17.1. Any claim for a breach of such representations and warranties shall survive for one year after the Closing Date. Any claim for a breach of representation or warranty set forth in Sections 14 and 15 of this Agreement shall be barred and shall lapse unless a claim is made in writing, with a description of the claim made, on or before the first anniversary of the Closing Date.

17.2. All other provisions of this Agreement shall be deemed merged into or waived by the instruments of Closing, except for those provisions that specifically state that they survive Closing or termination (each a "***Surviving Provision***"). If a Surviving Provision states that it survives for a limited period of time, that Surviving Provision shall survive only for the limited time specified. Any claim made in connection with a Surviving Provision shall be barred and shall lapse unless a claim is made in writing, with a description of the claim made, on or before the limited time specified in such Surviving Provision.

18. **Purchaser's Defaults; Seller's Remedies.** In the event of a breach by Purchaser of this Agreement, which breach is not cured within ten (10) days after written notice of default from Seller specifying the breach (provided, however, that no such cure period shall apply for a breach of the obligation to close by the Closing Date), Seller's sole remedy shall be to terminate this Agreement and retain all Deposits paid, and any earnings thereon, as liquidated damages but not as a penalty. **PURCHASER AND SELLER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICAL TO QUANTIFY THE ACTUAL DAMAGES TO SELLER IN THE EVENT OF A BREACH BY PURCHASER, THAT THE AMOUNT OF ALL DEPOSITS PAID IS A REASONABLE ESTIMATE OF SUCH ACTUAL DAMAGES, AND THAT SELLER'S REMEDY IN THE EVENT OF A BREACH BY PURCHASER SHALL BE TO RETAIN ALL DEPOSITS PAID AND ANY EARNINGS THEREON AS LIQUIDATED DAMAGES.** Notwithstanding the foregoing, this liquidated damages provision does not limit Purchaser's obligations under the Surviving Provisions, or under Section 8.

19. **Seller's Defaults; Purchaser's Remedies.** In the event of a breach by Seller of this Agreement, which breach is not cured within ten (10) days after written notice of default from Purchaser specifying the breach (provided, however, that no such cure period shall apply for a breach of the obligation to close by the Closing Date), Purchaser may elect only one of the following two remedies: (a) terminate this Agreement, in which event the Deposits paid shall be immediately refunded to Purchaser; or (b) enforce specific performance of this Agreement against Seller. Notwithstanding the foregoing, the limitation of remedies provision does not limit Seller's obligations under the Surviving Provisions.

20. **Closing Costs.** Costs of closing the Transaction shall be allocated between Seller and Purchaser as follows:

20.1. Seller shall pay: (i) the premium for the owner's Title Policy in the amount of the Purchase Price; (ii) one-half of any escrow fees of the Escrow Agent; (iii) documentary stamps on the deed; and (iv) all other costs and expenses allocated to Seller pursuant to the terms of this Agreement.

20.2. Purchaser shall pay: (i) the additional premium for the portion of the owner's Title Policy in excess of the Purchase Price, and any endorsements; (ii) the cost of recording the Deed; (iii) one-half of any escrow fees of the Escrow Agent; and (iv) all other costs and expenses allocated to Purchaser pursuant to the terms of this Agreement.

21. **Proration of Income and Expenses.** At Closing, the following items shall be paid or adjusted or prorated between Seller and Purchaser as specified, as of the Closing Date, with the day of Closing being for Purchaser's account:

21.1. *Ad valorem* and similar taxes, and assessments, for the then current tax year relating to the Property shall be prorated as of the Closing Date, assuming the maximum available discount.

If the Closing shall occur before the tax rate is fixed for the then current year, the proration of taxes shall be upon the basis of the tax rate of the preceding year applied to the latest assessed valuation. Subsequent to the Closing, when the tax rate is fixed for the year in which the Closing occurs, Seller and Purchaser agree to adjust the proration of taxes and, if necessary, to refund or pay, as the case may be, on or before January 1 of the year following the Closing, an amount necessary to effect such adjustments.

21.2. On the Closing Date, Seller shall cause its property management company to transfer to Purchaser's property management company the amount of any of the following for which Purchaser will be responsible after the Closing: (i) refundable deposits made by tenants of the Property; and (ii) non-refundable deposits made by tenants of the Property that have not been applied to costs incurred. At the Closing, Purchaser shall assume Seller's obligations related to the deposits actually transferred to Purchaser.

21.3. All collected rents or other income and all operating expenses for or pertaining to the Property, including but not limited to maintenance, security, management service and similar contractual charges with respect to the Property shall be prorated between Purchaser and Seller as of the Closing Date.

21.4. Water, sewer, fuel, electricity, gas and other utilities and services shall be paid by Seller based upon current readings by the utilities to be obtained by Seller contemporaneously with Closing. Seller shall arrange for utility services to Seller to be cancelled, in which event, Purchaser shall establish a new account with the utility, and Seller shall be entitled to any deposits on account paid by Seller. If a utility will not cancel Seller's account and replace it with a new Purchaser account, Seller shall at Closing transfer the utility account to Purchaser, in which event: (i) Purchaser shall reimburse Seller at Closing for any utility deposit transferred to Purchaser; and (ii) utility charges for such account shall be prorated between Purchaser and Seller as of the Closing Date.

21.5. Purchaser shall pay to Seller at Closing the amount of any prepaid compliance monitoring or other fees attributable to the period of time from and after the Closing Date.

22. Post-Closing Adjustments. Seller and Purchaser agree that, to the extent items are prorated or adjusted at Closing on the basis of estimates, or are not prorated or adjusted at Closing pending actual receipt of funds or compilation of information upon which such prorations or adjustments are to be based, each of them will pay to the other such amounts as may be necessary such that Seller will receive the benefit of all income collected for the period prior to the Closing Date and will pay all expenses of the Property attributable to the period prior to the Closing Date, both on an accrual basis, and Purchaser will receive all income collected for the period from and after the Closing Date and will pay all expenses of the Property attributable to the period from and after the Closing Date, both on an accrual basis. The provisions of this Section 22 shall survive the Closing for ninety (90) days; any claim under this Section 22 shall be barred and shall lapse unless a claim is made in writing, with a description of the claim made, on or before ninety (90) days after Closing.

23. Delinquent Rents. With respect to any monies collected by Purchaser from tenants or other persons owing delinquent rents or other amounts as of the Closing Date, such money shall first be applied to the current rents or obligations of such person and retained by Purchaser and the balance (if any) shall then be delivered to Seller. After the Closing Date, Seller shall be entitled to institute legal actions to recover delinquent rents from tenants; provided, however, that Seller acknowledges that Seller shall have no right to terminate any tenant lease, and Seller shall not have the right to evict any tenant.

24. Property Matters. AS A MATERIAL PART OF THE CONSIDERATION TO SELLER FOR THE SALE OF THE PROPERTY, PURCHASER, ON BEHALF OF ITSELF, AND ITS SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY WAIVES, AND RELEASES SELLER, ITS MEMBERS, PARTNERS, OFFICERS, DIRECTORS, PRINCIPALS, AGENTS, REPRESENTATIVES, ATTORNEYS AND EMPLOYEES (THE "**SELLER PARTIES**") FROM ANY AND ALL CLAIMS, DEMANDS, OBLIGATIONS, DAMAGES, CAUSES OF ACTION AND LIABILITY, WHETHER KNOWN OR UNKNOWN, OTHER THAN THOSE FOR BREACH OF SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN,

THAT ARE BASED DIRECTLY OR INDIRECTLY ON, ARISE FROM OR IN CONNECTION WITH, OR ARE RELATED TO THE FOLLOWING (THE **"PROPERTY MATTERS"**): (A) ANY AND ALL STATEMENTS, REPRESENTATIONS, WARRANTIES, DETERMINATIONS, CONCLUSIONS, ASSESSMENTS, ASSERTIONS OR ANY OTHER INFORMATION CONTAINED IN ANY OF THE DOCUMENTS DELIVERED TO PURCHASER IN CONNECTION HEREWITH, (B) ANY PAST, PRESENT, OR FUTURE CONDITION OF THE PROPERTY HOWEVER AND WHENEVER OCCURRING, INCLUDING, WITHOUT LIMITATION, THE PROPERTY'S PROXIMITY TO ANY GEOLOGICAL HAZARD, OR THE PRESENCE OF HAZARDOUS MATERIALS AT THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE CONTAMINATION OR POLLUTION OF ANY SURFACE OR SUBSURFACE SOILS, SUBSURFACE MEDIA, SURFACE WATERS OR GROUND WATERS AT THE PROPERTY), THE VIOLATION OF ANY ENVIRONMENTAL LAW, WHETHER IN COMMON LAW OR UNDER ANY EXISTING OR HEREINAFTER ENACTED FEDERAL, STATE OR LOCAL LAW, REGULATION, OR ORDINANCE, AND (C) EXCEPT AS OTHERWISE PROVIDED IN THE DEED, ANY DEFECT, INACCURACY OR INADEQUACY IN THE CONDITION OF TITLE TO THE PROPERTY, LEGAL DESCRIPTION OF THE PROPERTY, OR COVENANTS, RESTRICTIONS, ENCUMBRANCES OR ENCROACHMENTS WHICH AFFECT THE PROPERTY. PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT PURCHASER MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW (OR AS OF THE CLOSING) KNOWN OR BELIEVED TO BE TRUE REGARDING THE PROPERTY MATTERS, AND PURCHASER'S AGREEMENT TO RELEASE, ACQUIT AND DISCHARGE SELLER AND EACH OF THE OTHER SELLER PARTIES AS SET FORTH HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT NOTWITHSTANDING THE EXISTENCE OR DISCOVERY OF ANY SUCH DIFFERENT OR ADDITIONAL FACTS. PURCHASER KNOWINGLY AND VOLUNTARILY WAIVES ANY AND ALL RIGHTS, BENEFITS AND PRIVILEGES TO THE FULLEST EXTENT PERMISSIBLE UNDER ANY FEDERAL, STATE, LOCAL, OR OTHER LAWS WHICH DO OR WOULD NEGATIVELY AFFECT VALIDITY OR ENFORCEABILITY OF ALL OR PART OF THE RELEASES SET FORTH IN THIS AGREEMENT. THE PROVISIONS OF THIS SECTION 24 SHALL SURVIVE THE CLOSING WITHOUT TIME LIMITATION.

25. Tax Deferred Exchange.

25.1. If Purchaser wishes to structure the Transaction as part of a 1031 tax deferred exchange, Seller agrees to cooperate in such efforts, and to sign documents to accomplish such purposes; provided, however, that there shall be no material change in the Transaction from what would result if there was no tax deferred exchange, and provided that Seller incurs no additional cost, expense, obligation or liability as a result of such tax deferred exchange. Purchaser acknowledges that Seller shall have no obligation of any kind for the qualification of the Transaction for a 1031 tax deferred exchange.

25.2. If Seller wishes to structure the Transaction as part of a 1031 tax deferred exchange, Purchaser agrees to cooperate in such efforts, and to sign documents to accomplish such purposes; provided, however, that there shall be no material change in the Transaction from what would result if there was no tax deferred exchange, and provided that Purchaser incurs no additional cost, expense, obligation or liability as a result of such tax deferred exchange. Seller further acknowledges that Purchaser shall have no obligation of any kind for the qualification of the Transaction for a 1031 tax deferred exchange.

26. Miscellaneous.

26.1. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Agreement embodies and constitutes the entire understanding between the parties with respect to the Transaction. No provision hereof may be waived, modified, or amended except by an instrument in writing signed by Purchaser and Seller. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. A facsimile, scanned, or other copy of a signed version of this Agreement has the same effect as an original. Delivery by electronic transmission such as email, download or facsimile shall be deemed effective delivery.

26.2. Any notice, request, demand, instruction or other document required or permitted to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be delivered personally, or by overnight express courier, or by email, or by facsimile transmission, and addressed to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, or by email, or by confirmed facsimile, or via overnight express courier. (If a fax number listed below is inaccurate or is not working, then the date that a notice is required to be delivered shall be extended by one day.) Notwithstanding the foregoing, any written communication (including email or fax) sent to a party, which is actually received by such party, shall constitute notice for all purposes of this Agreement. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.

If to Purchaser: SP Mallards Landing LLC
5403 West Gray Street
Tampa, FL 33609
ATTN: Scott Seckinger
Email: sseckinger@sphome.com
Office: (813) 288-6988
Fax: (813) 288-1511

With a copy to: Pepple Cantu Schmidt PLLC
2430 Estancia Boulevard, Suite 114
Clearwater, Florida 33761
ATTN: David O. Cantu
Email: dcantu@pcslegal.com
Office: (727) 724-3222
Fax. No. (727) 726-9272

If to Seller: FF Mallards Landing LLC
5403 West Gray Street
Tampa, FL 33609
ATTN: Scott Seckinger
Email: sseckinger@sphome.com
Office: (813) 288-6988
Fax: (813) 288-1511

With a copy to: Pepple Cantu Schmidt PLLC
2430 Estancia Boulevard, Suite 114
Clearwater, Florida 33761
ATTN: David O. Cantu
Email: dcantu@pcslegal.com
Office: (727) 724-3222
Fax. No. (727) 726-9272

If to Escrow Agent: As in Section 1.5

26.3. In any legal proceeding arising in connection with this Agreement (including without limitation any arbitration and appellate proceedings as well as any bankruptcy, reorganization, liquidation, receivership or similar proceeding) the substantially non-prevailing party agrees to pay to the substantially prevailing party all reasonable costs and expenses, including attorneys' fees and other legal costs, expended or incurred by the substantially prevailing party in connection therewith (whether incurred before, during, or subsequent to any such action or proceeding).

26.4. Risk of loss or damage to the Property by condemnation, eminent domain, or similar proceedings (or deed in lieu thereof), or by fire or any other casualty, from the Effective Date until the Closing will be on Seller, and thereafter will be on Purchaser.

26.5. **Casualty Loss.**

26.5.1. If at any time prior to the Closing Date, any portion of the Property is destroyed or damaged as a result of fire or any other casualty whatsoever, Seller shall give written notice thereof to Purchaser as soon as possible and in any event within five (5) business days after Seller learns of such destruction or damage, and, within thirty (30) days thereafter, shall provide Purchaser with an estimate of the cost of restoring the Property to the condition it was in immediately before such damage or destruction from an independent consultant acceptable to Purchaser and Seller. The Closing Date shall be postponed, as required, in order for Seller to have the stipulated time to provide such notice and obtain and provide such estimate to Purchaser. If the cost of restoring and repairing the portion of the Property so damaged to substantially its present condition is not more than One Hundred Fifty Thousand Dollars (\$150,000.00), as reasonably estimated by such independent consultant, then Purchaser shall have no right to terminate this Agreement and shall purchase the Property in its damaged condition and be fully responsible for repair thereto, and at the Closing, Seller shall assign to Purchaser all rights of Seller in and to the property insurance (including rent loss coverage) currently maintained by Seller, and Purchaser shall receive a credit against the Purchase Price in the amount of any deductible under such property insurance policy, but without any other claim or offset resulting from such destruction or damage; provided, however, that if the rights of Seller in and to such property insurance are not assignable to Purchaser, then Purchaser shall receive at Closing a credit against the Purchase Price in the amount of such insurance proceeds which would have been assigned.

26.5.2. If the cost of restoring and repairing the portion of the Property so damaged to substantially its present condition is more than One Hundred Fifty Thousand Dollars (\$150,000.00), as reasonably estimated by such independent consultant acceptable to Purchaser and Seller, then Purchaser shall have the option, to be exercised within twenty (20) business days from the date of Purchaser's receipt of such estimate, to terminate this Agreement, in which event the Deposits paid shall be immediately refunded to Purchaser, and neither party hereto shall have any further duties, obligations or liabilities to the other, except as specifically provided herein. The Closing Date shall be postponed, as required, in order for Seller to have the stipulated time to provide such notice and obtain and provide such estimate to Purchaser, and for Purchaser to have the stipulated time to exercise its option to terminate. If Purchaser shall not elect to terminate this Agreement as provided in this Section 26.5.2, then this Agreement shall remain in full force and effect, and Purchaser shall purchase the Property in its damaged condition and be fully responsible for repair thereto, and at the Closing, Seller shall assign to Purchaser all rights of Seller in and to the property insurance (including rent loss coverage) currently maintained by Seller, and Purchaser shall receive a credit against the Purchase Price in the amount of any deductible under such property insurance policy, but without any other claim or offset resulting from such destruction or damage; provided, however, that if the rights of Seller in and to such property insurance are not assignable to Purchaser, then Purchaser shall receive at Closing a credit against the Purchase Price in the amount of such insurance proceeds which would have been assigned. Seller shall not negotiate for or agree to an award or settlement without the approval of Purchaser.

26.5.3. Notwithstanding the foregoing, this Section 26.5 shall not apply to any destruction or damage that is restored by Seller to its present condition on or before the Closing Date.

26.6. If at any time prior to the Closing Date, there shall be a taking by eminent domain proceedings or the commencement of any such proceedings, with respect to the Property, Seller shall promptly give written notice thereof to Purchaser, and, if such taking by eminent domain proceedings would result in a Material Change, Purchaser shall have the right, at Purchaser's sole option, to terminate this Agreement by giving written notice to Seller within thirty (30) days after Purchaser receives written notice of such proceedings, in which event the Deposits paid shall be immediately refunded to Purchaser, and neither party hereto shall have any further duties, obligations or liabilities to the other, except as specifically provided herein. A "**Material Change**" means a taking that would result in (a) the Property not being in compliance with all laws, rules, and regulations, (b) a diminution in value of the Property or a cost to restore the Property of more than five percent (5%) of the Purchase Price of the Property as estimated by an independent consultant acceptable to Purchaser and Seller. If Purchaser does not so terminate this Agreement, the Purchase Price for the Property shall be reduced by the total of any awards

or other proceeds received by Seller (directly or indirectly) with respect to any such taking, and at the Closing Seller shall assign to Purchaser all rights of Seller in and to any awards or other proceeds payable by reason of any taking. Seller shall not negotiate for or agree to an award or settlement without the approval of Purchaser. The Closing Date shall be postponed, as required, in order for the parties to obtain an estimate of the diminution in value or cost to restore and for Purchaser to have the stipulated time to exercise its option to terminate.

26.7. Purchaser shall have the right to assign this Agreement to an Affiliate of Purchaser or the principals of Purchaser, upon written notice to Seller at least five (5) days prior to the Closing Date; provided, however, that any such assignment shall not release the original Purchaser from any obligation or liability under this Agreement arising before or after Closing, including without limitation Surviving Provisions. No other assignment of this Agreement by Purchaser is permitted.

26.8. Seller and Purchaser agree to execute and deliver any instrument, affidavit and statement, and to perform any acts reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act (FIRPTA), IRC Section 1445 and regulations promulgated thereunder.

26.9. This Agreement has been submitted to the scrutiny of all parties hereto and their counsel, if desired, and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

26.10. The parties acknowledge that time is of the essence for each time and date specifically set forth in this Agreement. In computing any period of time pursuant to this Agreement, if the final day of a period, act or event falls on a day which is not a business day, then such final day shall be postponed until the next business day, but the commencement date of the time periods based on such final day shall not be postponed. A business day shall mean Monday through Friday, excluding days designated as a postal holiday by the United States Postal Service.

26.11. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflict or choice of laws rules.

26.12. EVERY PURCHASER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY ON WHICH A RESIDENTIAL DWELLING WAS BUILT PRIOR TO 1978 IS NOTIFIED THAT SUCH PROPERTY MAY PRESENT EXPOSURE TO LEAD FROM LEAD-BASED PAINT THAT MAY PLACE YOUNG CHILDREN AT RISK OF DEVELOPING LEAD POISONING. LEAD POISONING IN YOUNG CHILDREN MAY PRODUCE PERMANENT NEUROLOGICAL DAMAGE, INCLUDING LEARNING DISABILITIES, REDUCED INTELLIGENCE QUOTIENT, BEHAVIORAL PROBLEMS, AND IMPAIRED MEMORY. LEAD POISONING ALSO POSES A PARTICULAR RISK TO PREGNANT WOMEN. THE SELLER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY IS REQUIRED TO PROVIDE THE PURCHASER WITH ANY INFORMATION ON LEAD-BASED PAINT HAZARDS FROM RISK ASSESSMENTS OR INSPECTIONS IN THE SELLER'S POSSESSION OR CONTROL, IF ANY, AND NOTIFY THE PURCHASER OF ANY KNOWN LEAD-BASED PAINT HAZARDS. A RISK ASSESSMENT OR INSPECTION FOR POSSIBLE LEAD-BASED PAINT HAZARDS IS RECOMMENDED PRIOR TO PURCHASE.

26.13. Radon Gas Disclosure. The following language is required by law in any contract involving the sale or lease of any building within the State of Florida:

"RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

26.14. Energy Efficiency. Purchaser acknowledges receipt of the Florida Building Energy-Efficiency Rating System Brochure.

26.15. As used in this Agreement, "**Affiliate**" means, as to any person or entity: (a) any other person or entity that, directly or indirectly, is in control of, is controlled by or is under common control with such person or entity; or (b) is a director, officer, shareholder, partner, member or associate of such person or entity, or of an Affiliate of such person or entity. "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.

26.16. Neither this Agreement, nor any part thereof, nor any memorandum thereof may be recorded. Recording of any such document by, or at the direction of Purchaser, shall be a material default by Purchaser under this Agreement.


27. **Termination of Offer**. Submission of this Agreement by one party to the other shall constitute an offer to purchase or sell the Property on the terms and conditions set forth herein. This offer shall expire if the other party has not returned a fully executed copy hereof to the other party by 5:00 P.M. Eastern time on the second business day after receipt.

[Signatures on following page]

PURCHASER:

SP Mallards Landing LLC

By: SP Mallards Landing Manager LLC, its
Manager

By: 
Stephen W. Page, Manager

Date: April 3, 2019

SELLER:

FF Mallards Landing LLC

By: Mallards Landing Manager LLC, its Manager

By: 
J. David Page, Manager

Date: April 3, 2019

EXHIBIT A

Legal Description of Land

All of MALLARDS LANDING P.U.D, according to the Plat thereof as recorded in Plat Book 98, Page(s) 191, of the Public Records of Palm Beach County, Florida.

EXHIBIT B

"Personal Property" means Seller's interest in all of the furniture, fixtures, fittings, apparatus, equipment, machinery, trade names, and other items of tangible and intangible personal property and replacements thereof, if any, affixed or attached to or used in connection with the operation, maintenance, or management of the Improvements, including but not limited to, all permits, warranties, licenses, sweepers, cleaning supplies, tools, office furniture and equipment, stationery, office supplies, and janitorial supplies.

"Intangible Property" means all right, title and interest of Seller in and to all intangible property owned or held for use in connection with the Property or any business or businesses conducted thereon or with the use thereof, to the extent assignable, including but not limited to, air rights, water rights, permits, development rights, approvals, building and trade names (including but not limited to the name "Mallards Landing Apartments"), licenses, warranties, telephone numbers assigned to telephones in the Improvements (other than telephones of tenants), domain names and websites exclusively dedicated to the Improvements, advertising and online listings such as Apartments.com, ForRent.com, RentPath, Zillow, Facebook, Google My Business, Yelp, and plans and specifications.

"Improvements" means the apartment building constructed upon the Land, known as Mallards Landing Apartments, together with Seller's interest in all machinery, air conditioners, fixtures, and equipment used in the general operation of such buildings and improvements, and/or affixed to or located upon the Land on the Effective Date, along with all accessions and additions thereto, and together with the lessor's or landlord's interest in any tenant leases or occupancy agreements covering all or any portion of such buildings and improvements.

EXHIBIT C

- Trailing 12 months of operations by month in excel format (updated monthly through closing)
- Current Rent Roll in excel format (updated monthly through closing)
- Last 2 years of Rent Rolls by month in excel format
- Trailing 3 years of annual operating statements in excel format (by month)
- Trailing 3 years audits (if unaudited, prior 12 months of bank statements)
- Last 3 years of annual Property Tax Bills
- Current Budget
- Existing Payroll Schedule (list of current employees, start dates and salary/wage information)
- 3 years of Capital Expenditures
- Last 12 months of Utility Bills (water, sewer, electricity, gas)
- 5 years of loss runs for property and general liability insurance
- Any service contracts and list of vendors (laundry, copier, trash, etc.)
- Pest Contract/Termite Contract/Termite Bond
- Any 3rd party reports (Appraisal, LBP, Phase 1, RCS, termites, etc.)
- Existing Survey
- Current Title Policy
- All building addresses & parcel numbers (for zoning report)
- Any CO's and business/occupancy licenses
- Any existing building plans/site plans/zoning resolutions/drawings
- Any outstanding code violations
- Existing Mortgage Note/ Promissory Notes*
- Affordable Fair Housing Marketing Plan*
- Any Regulatory/Use agreements encumbering the property (LURA, EUA)*
 - 8609s*
 - Current HUD rent schedule*
 - Current Utility Allowances*
 - Original HAP contract*
 - All HAP Renewals*
 - Current HAP renewal*
 - Most recent HAP voucher request*
 - Current REAC and score*
 - Current MOR and score*
 - Current AFHMP (Affirmative Fair Housing Marketing Plan)*

**if applicable*

- Please keep in mind as transaction continues updated monthly operating statements and rent rolls will be needed. Often times they will need to be certified as well. -

EXHIBIT D

Prepared by and return to:

Amber F. Williams
Pepple Cantu Schmidt PLLC
2430 Estancia Blvd., Suite 114
Clearwater, FL 33761

SPECIAL WARRANTY DEED

THIS INDENTURE is made effective on _____, 20____, by _____, a _____ ("**Grantor**"), whose mailing address is _____, and _____, a _____ ("**Grantee**"), whose mailing address is _____.

WITNESSETH:

Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration to it in hand paid, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, and convey unto Grantee and its successors and assigns forever, that certain real property together with all the tenements, hereditaments and appurtenances, with every privilege, right, title, interest, estate, reversion, remainder and easement thereto belonging or in anywise appertaining (the "**Property**") in _____ County, Florida, as more particularly described in **Exhibit A** attached hereto and made a part hereof,

Tax Parcel ID No. _____.

To have and to hold in fee simple forever.

SUBJECT to, applicable land use and zoning restrictions and to easements, reservations and restrictions of record, which are specifically not reimposed or extended hereby, and to taxes for the year 20____ and subsequent years.

Grantor will warrant the title to the Property and will defend the same, against the lawful claims of all persons claiming by, through or under Grantor, but against none other.

[Signatures on following page]

IN WITNESS WHEREOF, Grantor has executed this deed the day and year above written.

Signed in the presence of:

GRANTOR:

Signature

By: _____

Name: _____

Title: _____

Printed Name

Signature

Printed Name

STATE OF _____)
COUNTY OF _____)

This foregoing instrument was acknowledged before me this ____ day of _____, 20__ by _____, as _____ of _____, on behalf of the company. He/She [is personally known to me] [has produced _____ as identification].

Notary Public: _____

Printed Name: _____

My Commission Expires: _____

[NOTARY SEAL]

**EXHIBIT A
to
SPECIAL WARRANTY DEED**

Legal Description

EXHIBIT E

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

(_____ Apartments)

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned, _____ ("**Assignor**") and _____ ("**Assignee**") hereby agree as follows:

1. This Bill of Sale, Assignment and Assumption Agreement is given pursuant to that certain Purchase and Sale Agreement ("**PSA**") dated as of _____, 20____, between Assignor and Assignee (or its predecessor), as amended, providing for, among other things, the conveyance of the Personal Property, the Tenant Leases, the Contracts, and the Intangible Property described herein.

2. Assignor hereby sells, transfers, assigns and conveys to Assignee:

2.1 All right, title and interest of Assignor in and to all furniture, fixtures, fittings, apparatus, equipment, machinery, and other items of tangible personal property and replacements thereof, if any, affixed or attached to or used in connection with the operation, maintenance, or management of the Improvements, including but not limited to appliances, sweepers, cleaning supplies, tools, office furniture and equipment, stationery, office supplies, and janitorial supplies ("**Personal Property**") located on, and used in connection with the management, maintenance, ownership or operation of that certain land and improvements ("**Real Property**") legally described on Exhibit A, but excluding tangible personal property owned by the tenants of the Real Property under the Tenant Leases (as defined below).

2.2 All right, title and interest of Assignor as lessor in and to any leases ("**Tenant Leases**") relating to the leasing of space or units in the Real Property and all of the rights, interests, benefits and privileges of the lessor thereunder, subject to all terms, conditions, reservations and limitations set forth in the Tenant Leases and the PSA.

2.3 To the extent assignable, all right, title and interest of Assignor in and to all intangible property ("**Intangible Property**") owned or held for use in connection with the Real Property and/or the Personal Property or any business or businesses conducted thereon or with the use thereof, to the extent assignable, including but not limited to, air rights, water rights, permits, development rights, approvals, building and trade names (including but not limited to the name "_____"), licenses, warranties, telephone numbers assigned to telephones in the Improvements (other than telephones of tenants), domain names and websites exclusively dedicated to the Improvements, advertising and online listings such as Apartments.com, ForRent.com, RentPath, Zillow, Facebook, Google My Business, Yelp, and plans and specifications.

2.4 To the extent assignable, all right, title and interest of Assignor in and to all leases (other than the Tenant Leases), contract rights and agreements ("**Contracts**") related to the Real Property and/or the Personal Property or any business or businesses conducted thereon or with the use thereof, including but not limited to those identified on Exhibit B.

3. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all liabilities, losses, claims, damages, costs or expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, the "**Claims**"), originating prior to the Conveyance Date and arising out of the lessor's obligations under the Tenant Leases, and/or Assignor's obligations under the Contracts, first arising prior to the Conveyance Date, and to the extent accruing through the last day prior to the Conveyance Date.

4. As of the Conveyance Date, Assignee hereby assumes all of Assignor's obligations under the Tenant Leases and the Contracts first arising and accruing on and after the Conveyance Date and agrees to indemnify Assignor against and hold Assignor harmless from any and all Claims originating on or subsequent to the Conveyance Date and arising out of the lessor's obligations under the Tenant Leases, and/or Assignor's obligations under the Contracts, first arising and accruing on and after the Conveyance Date.

5. Assignor hereby represents and warrants that the property conveyed hereunder is free and clear of all liens, leases and encumbrances (except those expressly approved by Purchaser pursuant to the PSA). Except as provided in the immediately preceding sentence and except for the representations and warranties set forth in the PSA with respect to the property conveyed hereunder (which are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignee and Assignor and their respective successors and assigns), the property conveyed hereunder is so conveyed in an "as is" condition.

6. This Bill of Sale, Assignment and Assumption is made subject to the title exceptions approved or deemed approved by Assignee pursuant to the PSA.

7. In the event any action be instituted by a party to enforce this Agreement, the prevailing party in such action shall be entitled to such reasonable attorneys' fees, costs and expenses as may be fixed by the court. In addition to the foregoing award of such reasonable attorneys' fees to the prevailing party, the prevailing party in any lawsuit on this Agreement shall be entitled to its reasonable attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment.

8. This Bill of Sale, Assignment and Assumption Agreement may be executed in several counterparts and all so executed shall constitute one Bill of Sale, Assignment and Assumption Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. Delivery by electronic transmission such as a facsimile, scanned, or other copy of a signed version of this Bill of Sale, Assignment and Assumption Agreement has the same effect as delivery of an original.

9. As of the date above written, Assignee hereby accepts the foregoing Bill of Sale, Assignment and Assumption Agreement and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the burdens and obligations of Assignor relating to the Tenant Leases, Contracts, and Intangible Property first arising and accruing on and after the Conveyance Date.

[Signatures on following page]

Dated effective as of _____, 20____ (the "**Conveyance Date**").

ASSIGNEE:

ASSIGNOR:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**EXHIBIT A
TO
BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT**

Description of Real Property

**EXHIBIT B
TO
BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT**

List of Contracts

EXHIBIT F

Agreement for the Transfer of Advertising & Online Listings

(_____ Apartments)

Identify any advertising sources the property has paid for in the last six months:

- Apartments.com (ApartmentFinder.com, ApartmentHomeLiving)
- ForRent.com
- RentPath (ApartmentGuide.com, Rent.com, Rentals.com, Lovely)
- Zillow (Trulia, Hotpads)
- Zumper (Padmapper)
- RentBits
- RapidSoft Solutions
- Local Advertising: _____
- Other: _____
- Other: _____
- Other: _____

The Seller agrees to provide copies of all contracts and cancellations for paid advertising sources used within the last six months.

Identify any online directories and social media accounts the property has set up:

- Facebook Page**
Facebook Page Administrator Phone: _____
Facebook Page Administrator email: _____
Seller agrees to transfer ownership of account to marketing@cmiweb.net.
- Google My Business listing**
Google My Business Administrator Phone: _____
Google My Business email: _____
Seller agrees to transfer ownership of listing to cambridgemarketingpr@gmail.com
- Yelp.com**
Yelp Administrator Phone: _____
Yelp Administrator email: _____
Seller agrees to transfer ownership of listing to marketing@cmiweb.net.
- Other:** _____
Administrator Phone: _____
Administrator email: _____
- Other:** _____
Administrator Phone: _____
Administrator email: _____

The Seller agrees to transfer any and all online directory and social media accounts to Cambridge Management, Inc. as the Buyer's designee.

Does the property own any domain names?

- No
 - Yes, List all: _____

- Domain Host (i.e. GoDaddy): _____
Domain Administrator Phone: _____
Domain Administrator email: _____

The Seller agrees to transfer the above domain(s) to Cambridge Management, Inc. as the Buyer's designee.

PURCHASE AND SALE AGREEMENT
DEPOSIT PROMISSORY NOTE

\$100,000.00

April 3, 2019

FOR VALUE RECEIVED, the undersigned, SP Mallards Landing LLC ("Maker") does hereby promise to pay to the order of FF Mallards Landing LLC, a Florida limited liability company ("Payee"), the sum of One Hundred Thousand Dollars (\$100,000.00). This Note is given as a Deposit pursuant to that certain Purchase and Sale Agreement dated on or about the same date as this Note, between Maker and Payee. The amount of this Note shall not bear interest, and shall be due and payable upon expiration of the Contingency Review Period if and when Maker provides Purchaser's Approval Notice in accordance with the Purchase and Sale Agreement. If payment of this Note is not made when due, the Purchase and Sale Agreement shall terminate.

MAKER:

SP Mallards Landing LLC

By: SP Mallards Landing Manager LLC, its Manager


By: 
Stephen W. Page, Manager

Exhibit 8



625 W. College Street
Grapevine, TX 76051
tel +1 817 310 5800 fax +1 817 310 3817

January 28, 2019

Mr. J. David Page
Southport Financial Services
2430 Estancia Blvd: Suite 101
Clearwater, FL 33761

RE: Engagement Letter – Mallards Landing

Agency Program: FHA Section 241(a) – Supplemental Rehabilitation Loan

Project Information:

Project:	Mallards Landing
Address:	1598 Quail Drive
Location:	West Palm Beach, FL 33409
Number of Units:	163
Type of Project:	Broadly Affordable Multifamily

Estimated Loan Terms:

Loan Amount:	Up to \$4,700,000
Interest Rate:	4.80% plus 0.25% MIP
Loan Term:	33 Years (estimated assuming an August 1, 2019 Supplemental Mortgage 1 st Payment)
Amortization:	33 Years (coterminous with remaining amortization on the HUD 223f first mortgage)

Dear Mr. Page:

The execution of this application (the "Application Letter") by Jones Lang LaSalle Multifamily, LLC, its successors and assigns ("JLL" or "Lender") and receipt of the countersigned Application Letter and of the Processing Fee as defined herein shall, together, constitute the loan application (the "Loan Application") for a mortgage loan (the "Loan") from JLL. JLL and Borrower understand and agree to the following:

1. **The Project.** The Project is the asset described above in "Project Information".
2. **Loan Security.** If closed, the Loan will be secured by collateral standard and customary to transactions of this type, to include but not be limited to: i) a second lien encumbering the Project, and ii) an assignment of rents and leases.
3. **Agency Program.** The mortgage will be insured by the Federal Housing Administration ("FHA") of the United States Department of Housing and Urban Development ("HUD").
4. **Processing Fee.** JLL will require receipt of a loan processing fee ("Processing Fee") in the amount of \$35,000:
 - a) **Third Party Reports –** Included in the Processing Fee is a third party report deposit of \$30,000. In connection with the Loan Application, JLL will engage third party firms to complete an appraisal, a project capital needs assessment ("PCNA"), a Phase I environmental report ("ESA"), a limited arch and cost review and other reports as required by HUD or deemed necessary by JLL (collectively, the "Third Party Reports"). JLL will engage the third party firms directly but the Borrower is responsible for the cost of the Third Party Reports. If the actual cost of the Third Party Reports exceeds the Third Party Report Deposit, JLL, in its sole discretion, may invoice the Borrower for the balance prior to engaging the third party firms. If the actual cost of the Third Party Reports or Third Party Report updates are less than the Third

Party Report Deposit, JLL will return the balance to the Borrower at closing. JLL will not order the Third Party Reports without prior written approval from the Borrower or its authorized representative; such written approval may be in an electronic mail format. Any previously collected fees utilized for third party reports will be deducted from the required Processing Fee.

- b) Legal Retainer – JLL will require receipt of a Legal Retainer in the amount of \$5,000. JLL's legal expenses are to be paid in full by the Borrower and are estimated to be \$27,500, although the expenses may exceed this estimated amount without notification to the Borrower. While the balance of the lender legal expense is typically paid at the closing of the Loan, JLL, in its reasonable discretion, reserves the right to invoice the Borrower for additional Legal Retainers prior to closing. If the Borrower or JLL terminates this Loan Application, the full amount of JLL's legal expense will become immediately due and payable by the Borrower; in the event the actual legal expense incurred by JLL is less than the Legal Retainer, JLL will return the remaining balance to the Borrower. Upon acceptance of this engagement letter the Borrower acknowledges that its obligation to pay all reasonable legal fees incurred by JLL is unconditional.
5. Borrower agrees to promptly submit to JLL, in a form and content satisfactory to JLL, all required due diligence documents and exhibits, a list of which will be forwarded under separate cover upon receipt of the executed Loan Application.

Subject to the Borrower providing all required documentation, JLL, in its capacity as an approved FHA mortgagee, will underwrite, compile, and submit an application to HUD for mortgage insurance under the above mentioned program (the "FHA Application") and shall act as a liaison between HUD and the Borrower to facilitate processing of the FHA Application. The FHA Application will be executed by the Borrower prior to submission.

Upon receipt of a firm commitment from HUD ("FHA Commitment") to insure the mortgage loan, the Lender will complete the following:

- a) Review FHA Commitment – If JLL finds any or all of the terms and conditions of the FHA Commitment or any of the FHA requirements unacceptable, JLL may elect not to issue a Loan Commitment (as defined below) to the Borrower and shall have no obligation to make a loan to the Borrower.
- b) Execute FHA Commitment – If acceptable to JLL in its sole discretion, JLL will execute the FHA Commitment and then submit the FHA Commitment to Borrower for execution.
- c) Execute Loan Commitment – Upon review and approval of the FHA Commitment, and any other relevant documentation, JLL shall execute and submit a loan commitment from JLL to Borrower (the "Loan Commitment"), with such Loan Commitment to include the terms of the FHA Commitment and other such terms as JLL shall deem appropriate or desirable. JLL shall not be under any obligation to make a loan to the Borrower until the Loan Commitment is fully executed, all required fees are paid, and all documentation is complete and satisfactory to JLL in its sole discretion.
6. Fees: The following outlines the estimate of fees to be paid by the Borrower for the Loan transaction ("Fees"):
- a) Processing Fee. The Processing Fee of \$35,000 referred to in paragraph 4.
- b) Commitment Fee. JLL's fee (the "Commitment Fee") for securing the FHA Commitment shall be equal to two percent (2.00%) of the Loan Amount, which shall be fully earned upon JLL's issuance of a Loan Commitment under terms substantially similar to those the Borrower requested in the FHA Application. The Commitment Fee shall be due and payable at the earliest to occur of: i) ninety (90) days from the issuance of the Loan Commitment, in which case the Commitment Fee shall be calculated based on the Loan Amount detailed in the Loan Commitment, and ii) closing of the Loan, in which case the Commitment Fee shall be calculated based on the Loan Amount FHA endorses for mortgage insurance.

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January 28, 2019

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- c) FHA Application Fee. The Borrower shall pay a "FHA Application Fee" equal to 0.30% of the requested Loan amount, with such fee due to JLL at the time of submission of the FHA Application to HUD.
 - d) FHA Inspection Fees. At closing, the Borrower shall pay an FHA Inspection Fee equal to 0.50% of the loan amount.
7. Additional Costs and Deposits. The following outlines the Additional Costs associated with the Loan transaction, which are the obligation of the Borrower.
- a) Closing Costs. The Borrower shall bear its own costs at the Loan closing, as well as the Borrower shall pay to JLL all costs and expenses incurred by JLL in connection with this transaction, including, but not limited to the Title Policy, UCC filing, recording costs, survey costs, Third Party Report costs, FHA mortgage insurance premium, travel costs, credit report fees, legal fees, and other out of pocket costs. The non-refundable Application Fee is separate and apart from the Closing Costs due herein and will not be applied to the Closing Costs.
 - b) Good Faith Deposit. The Borrower agrees to pay a Good Faith Deposit in an amount equal to the prevailing market deposit required at the time of locking of the interest rate; the Good Faith Deposit is currently estimated to be one-half of one percent (0.5%) of the Loan Amount but is subject to change based upon market conditions. JLL agrees to refund the Good Faith Deposit at closing.
8. Escrow Accounts. The following outlines the Escrow Accounts to be established at the closing of the Loan. The Escrow Accounts will be deposited in a depository institution designated by JLL and shall be maintained by JLL in accordance with the respective Escrow Agreement to be executed at closing of the Loan.
- a) Reserve for Replacements. The Borrower shall establish and maintain a Reserve for Replacements Escrow ("Replacement Reserve Escrow"). JLL will determine the amount of the required initial and ongoing deposits into the Replacement Reserve Escrow during the Lender's underwriting.
 - b) Real Estate Taxes, Special Assessments, Hazard Insurance Premium and Flood Insurance Premium. The Borrower will make monthly deposits into escrow accounts established for real estate taxes and hazard insurance costs to ensure adequate accumulation of funds to pay tax and insurance obligations one month prior to their respective due dates. All taxes, special assessments, and insurance premiums must be paid current prior to Loan closing.
 - c) Repair Escrow. A repair escrow ("Repair Escrow") in the amount of 120% of estimated non-critical repairs shall be established at closing.

A waiver will be requested to allow for the Repair Escrow to be established in an amount of 110% of the estimated non-critical repairs.
 - d) Mortgage Insurance Premium ("MIP"). The Borrower will pay 0.25% of the Loan Amount at the closing of the Loan, and thereafter shall make monthly deposits into escrow account sufficient to pay the annual MIP of 0.25%. Such amounts shall be paid to HUD by JLL.
9. Prepayment. No lockout, open at 10% in year one (1) of the loan term and declining 1% per year thereafter (or such other prepayment option to be determined at time of rate lock resulting in a combination of lockout period and prepayment fees not to exceed ten (10) years as necessary to achieve the quoted interest rate). On the 10th anniversary of the closing date the Loan may be prepaid without any such fee.
10. Truth and Completeness. JLL shall rely upon the statements of the Borrower in the processing of the Loan Application. Accordingly, the Borrower hereby declares, to the best of the Borrower's knowledge, all information and statements given to JLL to date are true, complete and accurate as of the date of

this Application Letter. The Borrower shall immediately notify JLL in writing of any material change in any of the information provided to JLL in the processing of this Loan Application. The Borrower agrees to promptly submit to JLL, in a form and content satisfactory to JLL, all required due diligence documents and exhibits as requested.

11. Non-Assignability. This Loan Application is not assignable by Borrower to any other entity or person without the prior written consent of JLL, provided however that any affiliated successor to the Borrower, or newly created entity formed to own the Project ("Borrower Successor") shall be obligated by the terms of this Loan Application.
12. Change of Ownership Structure. The prior written consent of JLL is required for any changes in the ownership structure of the Borrower or Borrower Successor.
13. No Second or Third Party Beneficiary. It is agreed and understood that JLL's analysis of the Project and its operations, including all appraisals, engineering reports, and other investigations are for the sole benefit of JLL in its underwriting of the Loan. The Borrower or any third parties shall not rely upon JLL's analysis. JLL's analysis, appraisals, reports, and investigations, and JLL's Loan Commitment do not constitute any representation or warranty by JLL to the Borrower or to others as to the value or condition of the Project.
14. No Commitment. JLL's acceptance of this Loan Application does not create a fiduciary relationship with the Borrower, nor is it a guarantee that a Loan Commitment will be issued by JLL with the terms herein, or within any specific time period.
15. Agency Requirements. JLL's processing of this Loan Application and the Loan Commitment issued pursuant thereto shall be subject to the current provisions of the regulations, policies and procedures of HUD in effect at the time the Loan Commitment may be issued.
16. Confidentiality. The Borrower agrees not to disclose this Application Letter or the terms and provisions herein to any individuals or entities, other than representatives of the Borrower, unless the Borrower has received prior written consent from JLL. Expressly included in this Confidentiality are any current or potential competitors or customers of JLL. Further, any future documentation provided by JLL in relation to the Loan, or the terms and provisions provided therein, will be bound by this Confidentiality.
17. Entire Agreement. This application contains the entire agreement between JLL and Borrower and supersedes any and all other previous agreements and understanding between the parties, both written and oral. Any change in the provisions of this Loan Application shall be made only in writing and accepted by both parties hereto.
18. Exclusivity. The Borrower acknowledges that JLL is the only Lender authorized to represent the Borrower, or Borrower Successor, for FHA financing of the Project. This Exclusivity will extend until the Borrower terminates this Loan Application in writing, in which case the Borrower and its affiliates will abandon the pursuit of FHA mortgage insurance for the Project for a period of twelve (12) months from the date of such written termination.
19. Publicity. The Borrower understands that the Lender may publicize the financing described herein in the local media and elsewhere and may include in any publicity release the Borrower's name, a general description of the Project and the terms of the Loan. The Borrower consents to all such Publicity.
20. Special Conditions.
 - a) Underwriting. The terms and conditions outlined herein are subject to final underwriting and a final appraisal supporting the underwritten income and expense projections.
 - b) HUD Approval; The terms and conditions outlined herein including the final Loan amount are subject in all respects to HUD Concept Memo approval, HUD Investment Committee approval after review of the final FHA Loan Application, and HUD issuance of a Firm Commitment.

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- c) Amount of Rehabilitation. The amount of rehabilitation shall not exceed \$38,000 per unit inclusive of hard costs, general requirements, overhead and profit, and contingency in order to allow for cost overruns and meet the \$40,000 per unit limit per 223(f) requirements.
 - d) Minimum Equity Contribution. The borrower is required to contribute at least 10% of total the total development costs as a minimum equity contribution.
 - e) Cross-Default. A cross-default provision will be placed in the loan documents stating a default to the first mortgage will trigger a default to the 241(a) mortgage, however a default to the 241(a) mortgage will not trigger a default under the first mortgage.
 - f) Working Capital and IOD. Working capital requirement equal to 2.00% of loan amount. IOD calculated as 6 months of debt service (including MIP). Both can be waived on a case by case basis.
 - g) Equity Pay-In Schedule. An equity pay-in schedule filled in with actual total equity and net-equity amounts, will be added as a special condition to the Firm Commitment for all Tax Credit Projects and used as a method of checking proposed disbursement schedules. 20% of the total tax credit equity must be funded at closing. Waivers of the first 20% equity pay-in will not be considered and neither bridge loans nor other sources, such as publicly funded loans or grants may be used to fund the first 20% equity pay-in amount. After the initial 20% total equity installment, 37.5% of the Net Equity shall be funded at 65% completion and 62.5% of the Net Equity shall be funded at 100% completion.
 - h) Notwithstanding the above and below, it has been agreed upon between the Borrower and Lender, that Lender will be engaged on a limited basis ("Limited Engagement"). And as such, will not commence their full underwriting of the loan until such time that it is agreed to in writing by both parties and upon receipt of any residual outstanding fees otherwise due at engagement. At which time, this Limited Engagement clause shall expire and the remaining provisions of the Engagement Letter shall prevail. Under the Limited Engagement Lender shall:
 - Obtain, review and revise a HUD compliant appraisal which includes an as-is appraised value for use by FHFC.
 - Borrower will remit the appraisal fee and due diligence required for its completion.
21. Borrower Acceptance. Please return one executed original of this letter and \$10,500 to cover the appraisal fee. By acceptance of this Loan Application, the Borrower agrees to the provisions hereof and agrees to pay JLL's Fees and Additional Costs.

Sincerely,

Jones Lang LaSalle Multifamily, LLC

By: Timothy R Leonhard
Timothy R. Leonhard
Its: International Director

ACCEPTED AND AGREED:

By: [Signature]
Its: Vice President
Date: 1/31/19

RESOLUTION NO. R-2019-__

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY (THE “AUTHORITY”) DECLARING THE AUTHORITY’S PRELIMINARY INTENT TO ISSUE ITS NOT TO EXCEED \$18,000,000 MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS (IN ANY EVENT REFERRED TO HEREIN AS THE “BONDS”) WHICH MAY BE ISSUED IN ONE OR MORE SERIES TO OBTAIN FUNDS TO BE LOANED TO SP MALLARDS LANDING LLC OR ITS SUCCESSORS OR ASSIGNS (THE “BORROWER”), FOR THE FINANCING OF THE ACQUISITION, REHABILITATION AND/OR EQUIPPING OF A QUALIFYING HOUSING DEVELOPMENT IN THE CITY OF WEST PALM BEACH, FLORIDA, KNOWN AS MALLARDS LANDING; INDICATING THE AUTHORITY’S OFFICIAL INTENT TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS TO REIMBURSE CERTAIN EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT; AUTHORIZING VALIDATION OF THE BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the provisions of the Florida Constitution, Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the “Act”) and the policies of the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), SP Mallards Landing LLC, a Florida limited liability company (the “Borrower”), has submitted a request to the Authority requesting that the Authority issue, pursuant to the provisions of the Act, multifamily housing revenue bonds, notes or other evidences of indebtedness to finance the costs of the acquisition, rehabilitation and/or equipping of an approximately 164 unit multifamily rental housing facility known as Mallards Landing, located at 1598 Quail Drive the City of West Palm Beach, Florida (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”) in Palm Beach County, Florida; and

WHEREAS, the Authority desires, as requested by the Borrower, to declare its preliminary intent to issue, in one or more series, its Multifamily Housing Revenue Bonds in the initial aggregate principal amount of not exceeding \$18,000,000 (the “Bonds”) (or such other debt instrument as may be allowed by the Act and approved by Bond Counsel and the Authority’s counsel) pursuant to the limitations and conditions set forth in this Resolution and in subsequent resolutions and other instruments of the Authority, which amount the Borrower has represented will, together with available funds of the Borrower, be sufficient to finance the Project; and

WHEREAS, the Bonds will be secured by amounts payable under the terms of a loan or financing agreement between the Authority and the Borrower providing for payments in amounts or other collateral sufficient to pay the principal of and interest on the Bonds as the same become due and payable, and/or such other security as shall be acceptable to the Authority; and

WHEREAS, it is intended by the Authority that the interest on a majority of the Bonds will be excludable from gross income for federal income tax purposes; and

WHEREAS, the action taken by this Resolution does not constitute final approval of the financing of the costs of the Project or of the issuance of the Bonds and is not an absolute commitment by the Authority to issue the Bonds; and

WHEREAS, the Authority's approval of the financing of the costs of the Project will be effected in accordance with applicable law and regulations and the financial terms, security for the repayment of the Bonds, restrictions on transferability, if applicable, and other matters will be determined and/or approved by subsequent proceedings of the Authority and by other appropriate regulatory bodies as may be required by applicable law and regulations, including but not limited to, approval by the Board of County Commissioners of Palm Beach County, Florida of certain matters relating thereto; and

WHEREAS, the Authority has been informed by the Borrower that it has and anticipates that it has and will incur certain capital expenditures relating to the Project prior to the issuance of the Bonds by the Authority; and

WHEREAS, such capital expenditures will be paid from the Borrower's own money or from the proceeds of a taxable financing; and

WHEREAS, the Code and applicable regulations (the "Regulations") require the Authority to declare its official intent to allow the Borrower to be reimbursed for certain capital expenditures incurred by the Borrower in connection with the Project prior to the issuance of the Bonds from a portion of the proceeds of the Bonds, when and if the Bonds are issued; and

WHEREAS, it is intended by the Authority that this Resolution constitutes such official intent with respect to the reimbursement, from proceeds of the Bonds, of those certain capital expenditures the Borrower has and will incur prior to the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:

SECTION 1. The recitals set forth above are adopted by the Authority as the findings of the Authority and are incorporated herein.

SECTION 2. The Authority is authorized and empowered by the Act and Article V, Division 3, Sections 2-181 et seq., Palm Beach County Code of Ordinances (the "Ordinance") to adopt this Resolution and to enter into transactions such as those contemplated by the Borrower in connection with the financing of the costs of the Project through the issuance of the Bonds, notes or other evidences of indebtedness, and to fully perform the obligations of the Authority to be undertaken in connection with the financing of the costs of the Project through the issuance of

the Bonds in order to assist in alleviating the shortage of housing and of capital to finance the construction of affordable housing in Palm Beach County, Florida, and this Resolution is adopted and such actions are to be taken pursuant to the provisions of the Act and the Ordinance.

SECTION 3. The statements contained in this Resolution with respect to the reimbursement of the capital expenditures referred to in this Resolution are intended to be the Authority's statements of official intent as required by, and in conformance with, the provisions of Section 1.150-2(e) of the Regulations. The expression of official intent set forth herein is made in reliance upon the representation of the Borrower that it reasonably expects to pay with its own funds or incur expenses in connection with the Project prior to the issuance of the Bonds and to be reimbursed for those expenses from the proceeds of the Bonds.

SECTION 4. All of the capital expenditures to be reimbursed in connection with the Project pursuant to this Resolution from proceeds of the Bonds that are issued as tax exempt obligations, will be for costs that (a) are properly chargeable to the capital account of the Borrower under general income tax principles, (b) constitute non-recurring working capital expenditures (of a type not customarily payable from current revenues), or (c) are costs of issuing the Bonds and will meet the requirements of the Code in that such capital expenditures have been or will be incurred after the date that is sixty (60) days before the date of adoption of this Resolution.

SECTION 5. The Authority reasonably expects to use a portion of the proceeds of the Bonds, when and if issued, to reimburse the Borrower for the capital expenditures contemplated under this Resolution made prior to not earlier than sixty (60) days prior to the adoption of this Resolution, and no funds from sources other than the "reimbursement bond issue" (as such term has the meaning assigned to it under the Regulations) portion of the bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Authority pursuant to the Authority's policies to pay for such capital expenditures.

SECTION 6. The Authority will direct the Borrower, upon receipt of the proceeds of the Bonds (or within thirty (30) days thereafter), to allocate in writing the amount of proceeds of the Bonds (i.e., the reimbursement bond issue) used to reimburse the costs of the Project (herein, the "Prior Expenditures"). Such allocation will be accomplished within the later of (a) eighteen months from the earliest date such Prior Expenditures were incurred or (b) the date the rehabilitation of Mallards Landing is substantially completed (but in no event later than three (3) years after the first Prior Expenditure was made).

SECTION 7. The maximum principal amount of Bonds expected to be issued for the financing of the costs of the acquisition, rehabilitation and/or equipping of the Project through the issuance of the Bonds is \$18,000,000.

SECTION 8. The adoption of this Resolution does not in any way entitle or create any rights in or for Borrower other than as set forth herein and the terms of this Resolution shall not constitute final approval of the financing of the costs of the Project or authorization for the Authority to issue the Bonds; such approval and authorization shall be considered by the Authority by other appropriate regulatory bodies in subsequent proceedings as required by applicable law and regulations and shall be contingent upon, among other things:

(A) The execution by the Borrower of a loan or financing agreement with the Authority in a form and substance and on terms acceptable to the Authority, including adequate provision being made for the operation, repair and maintenance of Mallards Landing at the expense of the Borrower and for the payment of the principal of, premium, if any, and interest on the Bonds and reserves, if any, therefor;

(B) The Authority's final determination that the proposal of the Borrower otherwise complies with all of the provisions of the Act; and

(C) Unless waived by the Authority, in compliance with the Authority's policies and guidelines, either (i) the provision by the Borrower of credit enhancement to secure the Bonds and a rating acceptable to the Authority from rating agencies acceptable to the Authority, obtained by the Borrower with respect to the Bonds, or (ii) the private placement of the Bonds with an institutional investor acceptable to the Authority.

SECTION 9. Attached hereto as Exhibit A is the form of Memorandum of Agreement to be entered into by and between the Authority and the Borrower (the "Agreement"). The Borrower's agreement to enter into and perform under the Agreement shall be a condition precedent for the General Counsel to the Authority, Bond Counsel and the Executive Director of the Authority to take any actions with respect to the preparation of any documents to be used in connection with the financing of the costs of the Project through the issuance of the Bonds. The Agreement, in the form attached hereto as Exhibit A, is hereby approved. The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Agreement.

SECTION 10. IT IS EXPRESSLY STATED AND AGREED THAT THE ADOPTION OF THIS RESOLUTION IS NOT A GUARANTY, EXPRESS OR IMPLIED, THAT THE AUTHORITY SHALL APPROVE THE CLOSING AND ISSUE THE BONDS FOR THE FINANCING OF THE COSTS OF THE PROJECT. THIS RESOLUTION IS QUALIFIED IN ITS ENTIRETY BY THE PROVISIONS OF THE ACT, OR ANY SUBSEQUENTLY ENACTED OR EFFECTIVE LEGISLATION CONCERNING A STATE VOLUME CEILING ON MULTIFAMILY HOUSING BONDS. THE BORROWER SHALL HOLD THE AUTHORITY AND ITS PAST, PRESENT AND FUTURE MEMBERS, OFFICERS, STAFF, ATTORNEYS, FINANCIAL ADVISORS, AND EMPLOYEES HARMLESS FROM ANY LIABILITY OR CLAIM BASED UPON THE FAILURE OF THE AUTHORITY TO CLOSE THE TRANSACTION AND ISSUE THE BONDS OR FROM ANY OTHER CAUSE OF ACTION ARISING FROM THE ADOPTION OF THIS RESOLUTION, THE PROCESSING OF THE FINANCING OF THE COSTS OF THE PROJECT THROUGH THE ISSUANCE OF THE BONDS EXCEPT FOR THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE AUTHORITY.

SECTION 11. To the extent deemed necessary by Bond Counsel to the Authority or by General Counsel to the Authority, General Counsel and/or Bond Counsel to the Authority are authorized to institute appropriate proceedings for the validation of the Bonds pursuant to Chapter 75, Florida Statutes.

SECTION 12. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any opinion regarding same.

SECTION 13. All resolutions or parts thereof, of the Authority in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict.

SECTION 14. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 10th day of May, 2019.

**HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA**

By: _____
Chairperson

ATTEST:

Secretary

EXHIBIT A
FORM OF MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT
(MALLARDS LANDING)

This Memorandum of Agreement is dated as of the ____ day of May, 2019, between the Housing Finance Authority of Palm Beach County, Florida, a public body corporate and politic under the laws of the State of Florida (the “Authority”), and SP Mallards Landing LLC, a Florida limited liability company (together with its respective successors or assigns, the “Borrower”).

WHEREAS, the Authority is authorized and empowered by the provisions of the Constitution and laws of the State of Florida (the “State”) to issue bonds, notes or other evidences of indebtedness for the purposes of providing funds to finance the acquisition, construction, rehabilitation and equipping of “qualifying housing developments” as defined in the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (the “Act”), and to loan the proceeds from the sale of such bonds, notes or other evidences of indebtedness to others to finance the acquisition, construction, rehabilitation and equipping of such qualifying housing developments; and

WHEREAS, the Borrower desires to finance the costs of acquisition, rehabilitation and/or equipping of an approximately 164 unit multifamily rental housing facility known as Mallards Landing, located at 1598 Quail Drive in the city of West Palm Beach, Florida (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has requested that the Authority issue its multifamily housing revenue bonds or similar evidence of indebtedness in an aggregate principal amount of not to exceed \$18,000,000 (in either case referred to herein generically as the “Bonds”) and to loan the proceeds thereof to the Borrower to finance the costs of the Project; and

WHEREAS, based on the request of the Borrower, the Authority has preliminarily determined to issue the Bonds; and

WHEREAS, based upon preliminary information made available to it and subject to further review and analysis, the Authority believes that the issuance of the Bonds will result in the assistance in alleviating the shortage of rental housing for eligible persons and families of moderate, middle and lesser income and will assist in alleviating the shortage of capital available for investment in such rental housing, and thereby increase the health, safety, morals, welfare, and tax base of the State and in Palm Beach County (the “County”); and

WHEREAS, the Borrower desires the Authority to continue its review and analysis of the Borrower’s request to provide financing of the costs of the Project through the issuance of the Bonds; and

WHEREAS, the Authority, by its adoption on the date hereof of its Resolution No. R-2019-__ (the “Initial Resolution”), has indicated its willingness to proceed with its consideration of the Borrower’s request for such financing; and

WHEREAS, the Authority wishes to enter into certain agreements with the Borrower with respect to its consideration of the Borrower's request to provide financing of the costs of the Project through the issuance of the Bonds.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. The Authority agrees:

(a) That, if the Authority determines that the Borrower and the Project meet all prerequisites for the issuance of the Bonds established by the Authority, it will make all reasonable efforts to authorize the issuance and sale of the Bonds pursuant to the terms of the Constitution of the State, the Act, the Initial Resolution, applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and this Memorandum of Agreement; and

(b) That, if the Bonds are issued, the Authority will make a loan to the Borrower to finance the costs of the Project through the issuance of the Bonds, with installment payments due under a loan or financing agreement between the Authority and the Borrower or the provision of collateral to be at least sufficient to pay the principal of, interest on and redemption premiums, if any, with respect to the Bonds as and when the same shall become due and payable, together with all other costs and expenses connected with such financing; and

(c) That, in the event the Authority acquires an interest in or a mortgage on Mallards Landing, it will convey or release any such interest it retains in Mallards Landing to the Borrower upon the retirement of the outstanding Bonds, and the payment by the Borrower of all other costs connected with such financing.

2. The Borrower agrees:

(a) That the Borrower will provide to the Authority, at the Borrower's expense, a credit underwriting report addressed to the Authority by a credit underwriter approved by the Authority relating to the Project; and

(b) That the Borrower will use all reasonable efforts to find one or more purchasers for the Bonds; and

(c) That the Borrower will enter into a loan or financing agreement with the Authority, under the terms of which the Borrower will be obligated to pay to the Authority sums sufficient to pay the principal of, interest on and redemption premiums, if any, or the provision of collateral with respect to the Bonds when the same shall become due and payable, to operate, maintain and repair Mallards Landing at its own expense, to report annually to the Authority the annual bond indebtedness outstanding and any other information necessary to comply with Section 218.32, Florida Statutes, and to pay all costs and expenses incurred by the Authority in connection with the financing of the costs of the Project, except as may be paid out of Bond proceeds or otherwise; and

(d) That all risk of loss to Mallards Landing will be borne by the Borrower.

3. All commitments of the Authority under Paragraph 1 hereof and of the Borrower under Paragraph 2 hereof are subject to the mutual agreement of the Authority and the Borrower as to the terms and conditions of the above-referenced loan or financing agreement and of the Bonds and the other instruments and proceedings relating to the Bonds, and to the sale of the Bonds pursuant to such terms and conditions. It is the intent of the parties hereto that the Bonds shall be prepared in such form and shall be issued, underwritten, if applicable, and sold and the proceeds thereof used, all as may be mutually agreed upon by the parties in accordance with the requirements and provisions of the Constitution of the State and the Act.

4. The Borrower acknowledges and agrees that, prior to or simultaneously with the issuance and delivery of the Bonds, it will enter into a regulatory or land use restriction agreement (the "Regulatory Agreement") with respect to Mallards Landing, in form and substance acceptable to the Authority and its counsel and the Borrower. The Borrower further acknowledges that the Regulatory Agreement will obligate the Borrower to pay the Authority an annual fee based on the original principal amount of Bonds (as described in the Regulatory Agreement) for the Qualified Project Period (as defined in the Regulatory Agreement) notwithstanding that the Bonds may no longer be outstanding.

5. The ability of the Authority to issue the Bonds contemplated hereby or pursuant to the Initial Resolution, shall be subject to the approval by the Board of County Commissioners (the "County Commission") of Palm Beach County, Florida of the issuance of the Bonds to finance the Project and of the purchaser of the Bonds within the meaning of the Authority's enabling ordinance.

6. The Borrower agrees to indemnify, defend and hold harmless the Authority, its members and its agents against any and all liability, loss, costs (including any credit underwriting), expenses, charges, claims, damages and attorney's fees of whatever kind or nature, which the Authority, its members or its agents may incur or sustain by reason or in consequence of the relationship existing between the Authority and the Borrower with respect to the execution and delivery of this Memorandum of Agreement, the consideration of the Borrower's request to issue the Bonds to finance the costs of the Project or the issuance and sale of the Bonds, except for the gross negligence or willful and wanton misconduct of the Authority or its members and agents. The Borrower hereby releases the Authority, the members and officers of the Authority, and the agents, attorneys and employees of the Authority from any liability, loss, cost, expenses, charges, claims, damages and reasonable attorneys fees of whatever kind or nature which may result from the failure of the Authority to issue the Bonds regardless of the reason therefor.

7. This Agreement will terminate nine (9) months from the date of adoption of the Initial Resolution (the "Initial Inducement Period") unless the final documents have been executed and the Bonds have been issued. The Authority may (but shall not be required to) consider extending this Agreement upon the submission by the Borrower of a status report providing tangible evidence that the Borrower continues to make progress towards the issuance of the Bonds. In the event this Agreement is terminated Borrower agrees that it will reimburse the parties named below for all fees and out-of-pocket expenses which the Authority, and the Authority's Bond Counsel, Disclosure Counsel, if any, General Counsel, and Financial Advisor, if any, may have incurred in connection with the execution of this Memorandum of Agreement

or anything related thereto or in connection with the request of the Borrower to issue the Bonds and the performance by the Authority or its professional staff described herein of their obligations described hereunder; and upon such reimbursement this Memorandum of Agreement shall thereupon terminate.

8. The Authority acknowledges that the Borrower has delivered to the Authority a completed application for financing meeting the requirements of and containing the information required by the Authority, and has delivered to the Authority the non refundable application fee in the amount of \$1,500 (the "Application Fee"). The Borrower will, no later than thirty (30) days prior to the date the Borrower requests the Authority to hold the public hearing with respect to the Bonds required by Section 147(f) of the Code (the "TEFRA Hearing"), deliver to the Authority a non-refundable fee in the amount of \$6,000 (the "Public Hearing Fee"). Upon receipt of the Public Hearing Fee, the Authority will (a) schedule and hold the TEFRA Hearing, and (b) request the approval of the Bonds by the County Commission for purposes of Section 147(f) of the Code. The Authority makes no assurance or representation that the County Commission will approve the issuance of the Bonds.

9. The Authority currently anticipates having "carry forward" private activity bond allocation in an amount sufficient for the issuance of the Bonds. If for any reason that is not the case, the Authority will use its best efforts to, at the request of the Borrower (assuming the County Commission has approved the issuance of the Bonds), apply for private activity bond allocation for the Bonds from the State of Florida Division of Bond Finance. The Authority makes no assurance or representation that private activity bond allocation will be available at the times or in the amount requested.

10. The Borrower will, prior to the Authority authorizing Bond Counsel to commence the drafting of bond documents, deliver to the Authority a good faith deposit payable to the Authority in the amount of \$55,000 (the "Good Faith Deposit"). The Good Faith Deposit will be held by the Authority until either (i) the Bonds have been issued or (ii) this Agreement is terminated prior to the issuance of the Bonds. If the financing of the Project as contemplated hereunder is completed as provided in clause (i) of this Section 10, the Borrower shall have the option of having the Good Faith Deposit returned in whole or applied against its costs at the time of closing. If the event in clause (ii) of this Section 10 shall occur, the Authority shall be entitled to the Good Faith Deposit hereunder to the extent necessary to pay the expenses incurred by the Authority, its Bond Counsel, General Counsel, Disclosure Counsel, if any, and Financial Advisor, if any, related to this financing and the amount of the Good Faith Deposit so applied shall be credited against the Borrower's obligation to pay such amounts and any remaining amount shall be promptly returned to Borrower.

11. The sale of the Bonds shall also be subject to approval by the County Commission, as required, and no assurance can be given by the Authority as to the outcome of such review. Further, no assurance can be given by the Authority as to the result of any action or inaction by a governmental agency, whether local, state, or federal, nor as to the result of any judicial action, which may affect in any way the issuance of the Bonds; and the Authority shall not be responsible or held liable for any costs or damages incurred by any party as a result thereof.

12. If the Authority abandons its efforts to issue the Bonds in its discretion, or if the Borrower shall terminate this Memorandum of Agreement by written notice to the Authority, this Memorandum of Agreement shall terminate. Nothing contained herein, however, shall release the Borrower from its obligations to indemnify the Authority or its obligations to pay the expenses incurred by the Authority, its Bond Counsel, General Counsel, Disclosure Counsel, if any, and Financial Advisor, if any, related to this financing in accordance with the terms of this Memorandum of Agreement.

13. This Memorandum of Agreement may be supplemented and amended from time to time by written agreement signed by both parties, and shall be superseded by the loan agreement to be executed by the Authority and the Borrower, upon the execution thereof, to the extent the terms thereof conflict with the terms contained herein.

14. Notwithstanding any other provision of this Memorandum of Agreement, as a matter of general assurance by the Borrower to the Authority, the Borrower hereby covenants and agrees that it will pay the fees of the Authority, and that it will indemnify the Authority for all reasonable expenses, costs and obligations incurred by the Authority, including but not limited to any printing costs, any rating agency fees, verification agent fees, the fees and expenses of Bond Counsel, General Counsel to the Authority, Disclosure Counsel, if any, and Financial Advisor to the Authority, if any, under the provisions of this Memorandum of Agreement to the end that the Authority will not suffer any out-of-pocket losses as a result of the carrying out of any of its undertakings herein contained. The only obligation the Authority shall have in connection with this Memorandum of Agreement shall be the payment of the Bonds, if and when issued, but such payment shall be limited solely to the revenues derived from the financing, sale, operation or leasing of Mallards Landing or posted collateral, and nothing contained in this Memorandum of Agreement shall ever be construed to constitute a personal or pecuniary liability or charge against the Authority or any member or officer or employee of the Authority, and in the event of a breach of any undertaking on the part of the Authority contained in this Memorandum of Agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general funds of the Authority shall arise therefrom.

15. If the Bonds to be issued hereunder are to be underwritten by a public offering, they shall be underwritten by investment banking firms acceptable to the Authority selected in accordance with the Authority's policies and guidelines.

16. The Borrower acknowledges and agrees to the terms of the Initial Resolution.

17. Nothing herein shall be deemed to require that the Authority agree to submit itself to the jurisdiction of the courts of any state other than the State of Florida or the venue of any Florida court other than Palm Beach County.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal to the Memorandum of Agreement as of the day and year first above written.

**HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA**

By: _____
Chairperson

(SEAL)

ATTEST:

Secretary

SP MALLARDS LANDING LLC, a Florida limited liability company

SP Mallards Landing Manager LLC, its Manager

By: _____
Stephen W. Page, Manager - Member

The obligations of the Borrower under the within Memorandum of Agreement are guaranteed by the undersigned co-developer of the Project, as of the day and year first above written.

SOUTHPORT DEVELOPMENT INC.

By: _____
Brienne Heffner, Vice President