AGENDA

1. CALL TO ORDER
   Pledge of Allegiance and Reflection
   Introductions

2. PUBLIC COMMENTS

3. APPROVAL OF MINUTES
   A. February minutes

4. TREASURER’S REPORTS
   A. February 2018
      1. General Fund
      2. Housing Trust Fund
      3. Land Assembly Fund

5. COMMUNICATIONS TO THE AUTHORITY
   A. Tampa Bay CDC usage report - $200,000 loan
   B. Clearwater Neighborhood Housing Services usage report - $60,000 loan

6. REPORTS BY STAFF
   A. HFA Operations and Special Projects Update – Kathryn Driver
   B. Multi-Family Update – Kathryn Driver
      1. Occupancy Report
   C. Single Family Update – Karmen Lemberg

7. NEW BUSINESS
   A. CRED Grant
      1. Memo
      2. Request Letter
      3. 2017 Annual Report and Actual Expenses
      4. 2018 Budget
      (Action Item – Kathryn Driver)
   B. Woodlawn Trail Apartments
      1. Memo
      2. Resolution
         a. Form of Borrower Loan Agreement
         b. Form of Funding Loan Agreement
         c. Form of Borrower Note
         d. Form of Security Instrument

Persons are advised that, if they decide to appeal any decision made at this meeting/hearing, they will need a record of the proceedings, and, for such purposes, they may need to ensure that a verbatim record of the proceedings is made, which includes testimony and evidence upon which the appeal is to be based.
e. Form of Assignment of Mortgage and Loan Documents  
f. Form of Land Use Restriction Agreement  
g. Form of Fee Guaranty and Environmental Indemnity Agreement  

3. Final Credit Underwriting Report  
(\textit{Action Item – Kathryn Driver})

C. Extension of Single Family Housing Revenue Bonds, 2016 Series A  
\hspace{0.5cm} 1. Memo  
(\textit{Action Item – Kathryn Driver})

8. **ADJOURNMENT**

\textbf{Upcoming…}\  
Next Meeting May 2, 2018 – 315 Court St., 4th Floor, Clerks Large Conference Room  
NALHFA Educational Conference – May 9-12, 2018 – New Orleans  
FLALHFA Educational Conference – July 11-13, 2018 – St. Petersburg

Persons are advised that, if they decide to appeal any decision made at this meeting/hearing, they will need a record of the proceedings, and, for such purposes, they may need to ensure that a verbatim record of the proceedings is made, which includes testimony and evidence upon which the appeal is to be based.
The Housing Finance Authority (HFA) Board of Pinellas County (as created by the Code of Ordinances of Pinellas County, Section 2-386) met in regular session in the Clerk’s Fourth Floor Conference Room, Pinellas County Courthouse, 315 Court Street, Clearwater, Florida, at 3:00 P.M. on this date with the following members present:

Casey Cane, Chairman  
Robyn Fiel, Vice-Chairman  
Norris E. Counts, Secretary/Treasurer  
Steven Beal, Assistant Secretary/Treasurer  
Dennis Long, Assistant Secretary  

Also Present  
Kathryn Driver, Executive Director, HFA  
Karmen Lemberg, Director of Homeownership Programs and Operations  
Michael T. Cronin, Attorney, Johnson, Pope, Bokor, Ruppel & Burns, PA  
Eugenie Anderson, Gibraltar Development Partners  
Debbie Berner, RBC Capital Markets  
Barbara Clark, Barbara Clark & Company  
Sue Denihan, eHousing Plus  
David Jones, CSG Advisors  
Jack Humburg, Boley Centers, Inc.  
Sandra Seals, McCormack Baron Salazar  
Monique Spotts, Bryant Miller Olive, PA  
Shawn Wilson, Blue Sky Communities  
Tim Wranovix, Raymond James  
Other Interested Individuals  
Michael P. Schmidt, Board Reporter, Deputy Clerk  

AGENDA  

1. CALL TO ORDER  
   Reflection and Pledge of Allegiance  

2. PUBLIC COMMENTS  

3. APPROVAL OF MINUTES  
   A. January Minutes  

Clearwater, Florida, February 7, 2018
4. TREASURER’S REPORTS
   A. December 2017
      1. General Fund
      2. Housing Trust Fund
      3. Land Assembly Fund

5. COMMUNICATIONS TO THE AUTHORITY
   A. Tampa Bay CDC Usage Report – $200,000 loan
   B. Clearwater Neighborhood Housing Services Usage Report – $60,000 loan

6. REPORTS BY STAFF
   A. HFA Operations and Special Projects Update – Kathryn Driver
   B. Multi-Family Update – Kathryn Driver
   C. Single Family Update – Karmen Lemberg

7. NEW BUSINESS
   A. Delmar Terrace South
      1. Memo
      2. Resolution
         a. Land Trust Agreement
         b. Ground Lease
            i. Land Description
            ii. Memorandum of Ground Lease
            iii. First Refusal
            iv. Restrictions
            v. Permitted Mortgage
            vi. Land Use Restriction Agreement
            vii. Land Lease Fee
         c. Credit Underwriting Report
            (Action Item – Kathryn Driver)
   B. Appointment of Officers
      1. Resolution
         (Action Item – Mike Cronin)
   C. Executive Director Contract
      1. Amendment 3
         (Action Item – Mike Cronin)
   D. Letter from Bright Community Trust

8. ADJOURNMENT

CALL TO ORDER

Chairman Cane called the meeting to order at 3:00 P.M. and asked for a moment of silence and reflection; whereupon, he led the Pledge of Allegiance and, at his request, those in attendance introduced themselves. A sign-in sheet and agenda packet have been filed and made a part of the record.
PUBLIC COMMENTS

No one appeared in response to the Chairman’s call for citizens wishing to be heard.

Later in the meeting, Shawn Wilson, Blue Sky Communities, requested that the members work with the County Commission and County Administration to explore new sources of gap funding to assist tax credit developers; and that they make land assembly funds available for the same purpose; whereupon, Mr. Wilson responded to queries and comments by Mr. Long, and Ms. Driver and Chairman Cane provided input.

MINUTES OF THE JANUARY 10, 2018 HFA MEETING – APPROVED

Upon presentation by Chairman Cane, Ms. Fiel moved, seconded by Mr. Long and carried unanimously, that the minutes of the January 10, 2018 meeting be approved as submitted.

TREASURER’S REPORTS – APPROVED

General Fund – December 2017

Mr. Counts presented the HFA General Fund financial statements for the month of December 2017; whereupon, he reviewed the December Cash Roll Report and moved, seconded by Ms. Fiel, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

Housing Trust Fund – December 2017

Mr. Counts presented the HFA Housing Trust Fund financial statements for the month of December 2017; whereupon, he reviewed the December Cash Roll Report and moved, seconded by Mr. Beal, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

Land Assembly Fund – December 2017

Mr. Counts presented the Land Assembly Fund financial statements for the month of December 2017; whereupon, he reviewed the December Cash Roll Report and moved, seconded by Mr. Beal, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

COMMUNICATIONS TO THE AUTHORITY

Tampa Bay Community Development Corporation (CDC) Usage Report – $200,000

Ms. Driver related that a monthly report detailing usage of the $200,000 loan with Tampa Bay CDC is included in the agenda packet.
Clearwater Neighborhood Housing Services (CNHS) Usage Report – $60,000

Ms. Driver indicated that a monthly report detailing usage of the $60,000 loan with CNHS is included in the agenda packet.

REPORTS BY STAFF

HFA Operations, Special Projects Update, and Multi-Family Program Update

Ms. Driver congratulated Mr. Long on his reappointment to the HFA; whereupon, she reported on the following activities:

• Noting that the term of Ms. Fiel will expire in April, Ms. Driver related that her office is currently advertising for the position; that Ms. Fiel has applied for reappointment; and that the County Commission will appoint an individual at its March 20 meeting.

• There remains a need to educate state representatives regarding affordable housing and the State Housing Trust Fund. Many resources are available through the HFA for those members who wish to communicate with state leaders.

• The final audit report will be presented to the members in March. Ms. Driver will be meeting with the County Administrator to review the annual Housing Trust Fund Report and annual Housing Finance Authority Report, which will be presented to the County Commission on February 27, and will also be discussing the need for additional Land Assembly Fund dollars.

• All documentation has been provided regarding two down payment assistance loans funded on behalf of Clearwater Neighborhood Housing Services.

• Ms. Driver discussed two multi-family transactions to be presented to the members in March. She reported that the first transaction is for Woodlawn Trail; that Southport Financial is the developer; that the project is located in the Greenwood area of Clearwater; and that it will contain 80 affordable rental units; whereupon, she indicated that the second transaction relates to Joe’s Creek Apartments; that the HFA is working with Contemporary Housing Alternatives of Florida; that the project is located in the Lealman Community Redevelopment Area; and that it will consist of affordable rental housing and market rate units.

• Reporting that her office continues to work on the Oceanside Estates transaction, Ms. Driver related that the multi-family bond issue closed in December; and that closings relating to the Department of Housing and Urban Development and the Land Assembly Fund are projected to occur by late March or early April.
February 7, 2018

- Ms. Driver stated that the 2018 Annual Education Conferences for the Florida and National Associations of Local Housing Finance Authorities will occur in May and July, respectively; and that Ms. Lemberg will provide additional information for those interested in participating.

- Due to the occupancy figures being received early, they were included in the January agenda packet.

- Reminded everyone that the HFA has an open-door policy; and that the office is open from 7:30 A.M. until 5:00 P.M.

In response to queries by Chairman Cane, Ms. Driver reported that Vitus Development, Seattle, Washington, is the developer for Oceanside Estates; whereupon, she related that Contemporary Housing Alternatives of Florida is the Community Housing Development Organization for the County; and that the HFA has engaged in many past transactions with the group.

**Single Family Program Update**

Ms. Lemberg indicated that since the Single Family Program Update memorandum was written, seven loans were added to the Hardest Hit Fund program; and that government and conventional loan rates have increased; whereupon, she related that discussion on the February YouTube show, *No Place Like Home*, is about donating computers for charity.

**NEW BUSINESS**

**Delmar Terrace South**

RESOLUTION NO. 2018-04 OF THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION WITH THE DELMAR TERRACE SOUTH APARTMENTS MULTIFAMILY HOUSING PROPERTY TO PROVIDE AFFORDABLE MULTIFAMILY HOUSING IN ACCORDANCE WITH THE DIRECTIVES AND INITIATIVES OF THE PINELLAS COUNTY COMMUNITY HOUSING PROGRAM–AFFORDABLE HOUSING LAND ASSEMBLY FUND; AUTHORIZING THE ACQUISITION OF REAL PROPERTY UTILIZING MONIES FROM THE PINELLAS COUNTY COMMUNITY HOUSING PROGRAM–AFFORDABLE HOUSING LAND ASSEMBLY FUND; AUTHORIZING THE CREATION AND FORMATION OF THE PINELLAS COUNTY LAND ASSEMBLY TRUST–DELMAR TERRACE SOUTH; AUTHORIZING FUTURE CONVEYANCE AND PURCHASE OF THE SUBJECT PROPERTY TO THE PINELLAS COUNTY LAND ASSEMBLY TRUST–DELMAR TERRACE SOUTH; AUTHORIZING A GROUND LEASE AND OTHER RELATED FINANCING DOCUMENTS, INCLUDING A LAND USE RESTRICTION AGREEMENT; DELEGATING AUTHORITY TO IMPLEMENT THESE ACTIONS; AUTHORIZING ADDITIONAL REQUIRED ACTIONS AND PROVIDING AN EFFECTIVE DATE
Ms. Driver provided background information regarding the item, relating that the recommendation memorandum and other pertinent materials are included in the members’ agenda packets; whereupon, she introduced the co-developers of the transaction, Eugenie Anderson, Sandra Seals, and Jack Humburg.

Ms. Anderson provided an overview of the project regarding its location, construction, density, design, and amenities. Mr. Humburg related that Boley Centers is the service provider for the 65-unit project; that it will be providing case management and coordinating services for the residents of Delmar Terrace; and that 33 units will be for homeless individuals. In response to comments and queries by Chairman Cane, he indicated that while no units have been specifically set aside for homeless veterans, his office will be reviewing the income and income potential of prospective tenants as well as Social Security eligibility in order to provide for their long-term stability; whereupon, he discussed other local projects where there are programs for veterans, and presented information regarding the challenges associated with substance abuse and the opioid crisis.

In response to comments and queries by the members, Mr. Humburg and Ms. Anderson discussed the tax credit component of the Downtown St. Petersburg project, noting that it locks in the homeless units for 15 years. Following a review of the resolution and associated documents by Attorney Cronin, Mr. Counts moved, seconded by Mr. Beal and carried unanimously, that Resolution No. 2018-04 be adopted.

Later in the meeting, Mr. Long related that the 15-year time period regarding units set aside for homeless individuals should be longer, and requested that staff look for opportunities to lock in future deals for a longer period of time.

Board Appointment and Ratification of Officers

RESOLUTION NO. 2018-05 ADOPTED RATIFYING AND APPROVING THE APPOINTMENT OF OFFICERS OF THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY

Upon presentation by Attorney Cronin, Mr. Counts moved, seconded by Mr. Long, that Resolution No. 2018-05 be adopted ratifying and approving the appointment of the following slate of officers:

Casey Cane, Chairman
Robyn Fiel, Vice-Chairman
Norris E. Counts, Secretary/Treasurer
Steven Beal, Assistant Secretary/Treasurer
Dennis Long, Assistant Secretary

Staff Designated as Officers:
Kathryn Driver, Executive Director, Assistant Secretary
Karmen Lemberg, Director of Homeownership Programs and Operations, Assistant Secretary
February 7, 2018

Upon the Chairman’s call for the vote, the motion carried unanimously.

**Executive Director Contract Renewal**

Ms. Driver left the room prior to the item being discussed, and Attorney Cronin provided historical background information regarding her total compensation, relating that she is currently paid a base salary of $165,000; that additional dollars are allocated to fund her privately held health insurance policy; that the current monthly premium is roughly $3,209; and that her entire compensation is considered taxable, and Ms. Lemberg provided further information, stating that she and Ms. Driver downgraded their plans for the current year due to a significant increase in monthly premiums; and that the contracts have been signed, and discussion ensued.

Mr. Counts and Chairman Cane discussed the importance of maintaining good health coverage for staff, and requested that prior to the closing date of the next open enrollment, the members be provided an opportunity to review the health plan information in order to make a financial decision. Discussion ensued regarding the prospect of Mses. Driver and Lemberg being covered under the Pinellas County Group Health Plan and their loss of independence as County Government employees; whereupon, Mr. Counts moved, seconded by Ms. Fiel and carried unanimously, that Amendment 3 of Ms. Driver’s employment agreement be approved. Following the vote, Ms. Driver returned to the meeting.

* * * *

At this time, 3:50 P.M., the meeting was recessed and reconvened at 3:55 P.M.

* * * *

**Letter from Bright Community Trust**

Chairman Cane provided historical background information regarding the item and a letter sent by Bright Community Trust CEO and President Anthony Jones to HFA Executive Director Kathryn Driver concerning her request that he comply with Neighborhood Stabilization Program (NSP) 2 program requirements and provide the necessary documentation regarding federal grant programs relating to affordable and sustainable housing; whereupon, he reported that his personal invitation to the Bright Community Trust Board and its legal counsel to attend today’s meeting was declined.

Chairman Cane stated that Mr. Jones’ letter contains outrageous and inflammatory insinuations regarding the Stone Creek property in Tarpon Springs, and read aloud that portion of the document; whereupon, he discussed the purpose and mission of the HFA, relating that the organization does
not discriminate against anyone; that most of its programs offer affordable housing opportunities to those who would consider themselves as part of a minority group; and that the HFA does not engage in favoritism of any sort.

Chairman Cane discussed the uncooperative and defiant nature of Bright Community Trust and its refusal to provide needed information and stated his personal position as follows:

• That the Housing Finance Authority and Bright Community Trust engage in no further deals; and that Bright Community Trust have no further access to any and all discretionary grant dollars or future project involvements where it solicits the Authority’s bond capacity or authority or financial partners in continuation of its work.

• That a formal records request be made requiring BCT to produce the following:

  • A proper and audited accounting of 49 percent of all sale proceeds from BCT land trust properties for which the HFA is the beneficiary.

  • All documents related to the sale, development, lease, or guarantee of said properties with regard to the HFA being recognized as a beneficiary as previously requested.

  • All contracts for construction and material orders as related to the improvements of these or any other properties to which the HFA was recognized as a beneficiary in partnership with Bright Community Trust.

• That if Bright Community Trust chooses not to ascend to the public records request, Attorney Cronin formally litigate the matter to the fullest extent permitted by law to obtain the records in order that the HFA remain transparent as an organization.

Mr. Counts provided background information regarding the formation of Bright Community Trust. He stated that he firmly agrees with the Chairman’s request; and that he would suggest that counsel do everything possible to sever the relationship between the Authority and Bright Community Trust; whereupon, Mr. Long moved, seconded by Mr. Counts; that the Chairman’s statement be recognized as the official response of the HFA, up to the remedy part of the public records request.

* * * * *

Ms. Fiel left the meeting at 4:15 P.M.

* * * * *
February 7, 2018

Discussion ensued regarding the motion, and Attorney Cronin provided further information and responded to queries and comments by the members. Upon call for the vote, the motion carried unanimously; whereupon, the members discussed how to move forward and the remedies available to them.

Mr. Long moved, seconded by Mr. Counts, that staff and counsel pursue whatever alternatives are available to terminate the Authority’s relationships on NSP1, NSP2 and NSP3 with Bright Community Trust, including requesting the aforementioned records through whatever appropriate means are available and then providing a recommendation of the legal alternatives if the information is not provided; and that if the information is provided, determine the next steps to terminate the relationship.

In response to comments and queries by the members, Ms. Driver provided information regarding how work requests are handled by the HFA, noting that she has never received a request from Bright Community Trust for mold remediation at the Stone Creek property. Following discussion, the members directed that the property be inspected for mold.

In response to queries by the members, Mr. Cronin provided historical information regarding the Housing Finance Authority, Community Development, and Bright Community Trust, and the relationship that Mr. Jones had with each of the agencies, and discussion ensued.

Mr. Long requested that Attorney Cronin contact Bright Community Trust legal counsel in response to the letter and summarize the position of the HFA; that he advise Bright Community Trust of the Authority’s action to proceed and terminate its relationship with them; and that he take the requisite legal action to demand the records as a beneficiary; whereupon, he asked that Attorney Cronin bring specific legal services agreements before the Board at the next meeting.

Upon call for the vote, the motion carried unanimously.

ADJOURNMENT

Upon motion by Mr. Counts, seconded by Mr. Long and carried unanimously, the meeting was adjourned at 4:52 P.M.

____________________________
Secretary/Treasurer
## Balance Beginning of Month

$3,064,786.65

### Disbursements:

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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>A Top Dog Property Services, Inc.</td>
<td>$(1,550.00)</td>
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<tr>
<td>ADP</td>
<td>$(192.68)</td>
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<tr>
<td>AFLAC</td>
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<td>Barbara Clark &amp; Co, PA</td>
<td>$(10,690.00)</td>
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<td>City of Dunedin</td>
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<td>City of Tarpon Springs</td>
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<td>FRS</td>
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<td>GNP Service, CPA, PA</td>
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<td>GrillSmith 101</td>
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<td>HFA Pinellas County 2nd Mortgages</td>
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<td>IGTECH365. LLC</td>
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<td>ImageNet Consulting of Vero Beach LLC</td>
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<tr>
<td>J2 Efax Services</td>
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<td>Johnson, Pope, Bokor, Ruppel &amp; Burns LLP</td>
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<td>Ken Burke, CCC</td>
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<td>Microsoft</td>
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<td>Neighborhood Lending Partners</td>
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<td>Payroll</td>
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<td>Polk County HFA c/o D. Alexander, Peterson &amp; Myers</td>
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<td>ReadyRefresh by Nestle</td>
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<td>Spectrum Business</td>
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<td>Tampa Bay Newspapers, Inc</td>
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<tr>
<td>Verizon Wireless</td>
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</table>

#### Total Cash Out

$(101,037.63)$

### Total Cash In

150,868.78

### Balance End of Month

$3,114,617.80

### Bank Accounts

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<thead>
<tr>
<th>Account Number</th>
<th>Description</th>
<th>Amount</th>
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<td>01-101.0021 General Fund 7158</td>
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<td><strong>Subtotal - Operating</strong></td>
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<td><strong>3,114,617.80</strong></td>
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<td>01-105.001 Fed Home Loan Bank DIA</td>
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<td>1,586,947.24</td>
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<tr>
<td>01-106.001 US Bank Custody Account</td>
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<td>1,304,761.29</td>
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#### Total Bank Accounts

$6,006,326.33
## HFA of Pinellas County
### Balance Sheet
**As of February 28, 2018**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Bank Accounts</td>
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</tr>
<tr>
<td>101.021 01-101.0021 General Fund 7158</td>
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<tr>
<td>105.001 01-105.001 Fed Home Loan Bank DIA</td>
<td>1,586,947.24</td>
</tr>
<tr>
<td>106.001 01-106.001 US Bank Custody Account</td>
<td>1,304,761.29</td>
</tr>
<tr>
<td><strong>Total Bank Accounts</strong></td>
<td><strong>$ 6,006,326.33</strong></td>
</tr>
<tr>
<td>Accounts Receivable</td>
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<tr>
<td>115.000 Accounts Receivable</td>
<td>1,181,615.60</td>
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<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td><strong>$ 1,181,615.60</strong></td>
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<tr>
<td>Other Current Assets</td>
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<tr>
<td>01-131.002 Due From PCHF, Inc.</td>
<td>12,300.21</td>
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<td>01-131.003 NSP I Rec</td>
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<td>01-131.004 NSP II Rec</td>
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<td>110.001 01-110.001 US Bank Custody Account Securities</td>
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<td>111.001 01-111.001 FHLB Pledged Investments</td>
<td>4,110,374.28</td>
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<td><strong>Total Other Current Assets</strong></td>
<td><strong>$ 8,180,575.73</strong></td>
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<tr>
<td><strong>Total Current Assets</strong></td>
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<tr>
<td><strong>Fixed Assets</strong></td>
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<tr>
<td>01-166.901 Fixed Assets</td>
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<td><strong>Total Fixed Assets</strong></td>
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<tr>
<td><strong>Other Assets</strong></td>
<td></td>
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<tr>
<td>01-128.901 2nd Mortgage Port</td>
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<tr>
<td>01-128.902 MF Mort Portfolio</td>
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<tr>
<td>01-128.903 TBCDC Revolving Cred</td>
<td>200,000.00</td>
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<td>01-128.903.2 Clearwater Neighborhood Housing Services Revolving Loan Receivable</td>
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<tr>
<td>01-128.905 Notes &amp; Mortg NSP I</td>
<td>447,543.29</td>
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<td>01-128.906 Notes &amp; Mortg NSP II</td>
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<td>01-128.907 Notes &amp; Mortg NSP 3</td>
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<td>01-128.909 CNHS DPA Loans</td>
<td>40,000.00</td>
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<td>01-129.001 Temporary holding account</td>
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<tr>
<td>01-133.002 Due From Pinellas Co</td>
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<tr>
<td>01-133.0021 Due From NLP</td>
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<td>01-134.001 Non Depreciable Asset</td>
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<td>01-155.001 Long-term Prepaid Exp</td>
<td>2,660.00</td>
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<tr>
<td>01-155.002 Polk Cty 2nd Mort</td>
<td>(7,000.00)</td>
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<td>01-156.901 HFA Bond Program</td>
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<td>01-156.903 GSE Program Multi-Co</td>
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<td>01-170.000 Deferred Outflows</td>
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<td><strong>Total Other Assets</strong></td>
<td><strong>$11,336,577.96</strong></td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$26,713,282.97</strong></td>
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</tbody>
</table>
## LIABILITIES AND EQUITY

### Liabilities

#### Current Liabilities

- **Accounts Payable**
  - 01-202.001 Accounts Pay - Other: $29,814.66
  - 01-202.002 Accounts Payable: $(1,023.04)
  - **Total Accounts Payable**: $28,791.62

- **Credit Cards**
  - 01-202.005 Regions Commercial Bankcard: $275.84
  - **Total Credit Cards**: $275.84

- **Other Current Liabilities**
  - Due to LAF: $3,645.43
  - 01-202.006 Salaries and Fringes Payable: $2,956.54
  - 01-203.200 Capital Lease-Current Portion: $2,548.57
  - **Total Other Current Liabilities**: $9,150.54

- **Total Current Liabilities**: $38,218.00

#### Long-Term Liabilities

- 01-206.001 Capital Lease Payable: $5,649.54
- 01-208.000 SHIP Liability: $729,940.83
- 01-208.009 NSP I Oblig Pinel Co: $95,354.50
- 01-208.13 Oblig NSP II NLP: $3,753,007.34
- 01-210.001 Payments (after SunTrust): $148.00
- 01-210.002 Deferred Revenue Mortgage Rec.: $1,594,426.11
- 01-270.000 Deferred Inflows: $15,011.00
- 01-280.000 Net Pension Liability: $300,418.00
- **Total Long-Term Liabilities**: $6,493,955.32

- **Total Liabilities**: $6,532,173.32

### Equity

- 3000 01-250.001 Opening Bal Equity: $1,911,007.47
- 3900 01-272.001 Retained Earnings: $18,111,678.81
- **Net Income**: $158,423.37

- **Total Equity**: $20,181,109.65

-- **TOTAL LIABILITIES AND EQUITY**: $26,713,282.97
# HFA of Pinellas County
## Profit and Loss
### February 2018

<table>
<thead>
<tr>
<th>Total</th>
<th>Feb 2018</th>
<th>Oct 2017 - Feb 2018 (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
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<tr>
<td>01-344.002 NSP I Grant Income</td>
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<tr>
<td>Maintenance</td>
<td>66.24</td>
<td>1,396.73</td>
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<td>Total 01-344.002 NSP I Grant Income</td>
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<td>Delmar Terrace South</td>
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<td>01-345.803 Gain on Sale of FHLB Securities</td>
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<td>01-554.005 Contract Services</td>
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<td><strong>Total 01-591.001 Misc Expenses</strong></td>
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<td>01-395.001</td>
<td>Unrealized Market Gain - FHLB Securities</td>
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Saturday, Mar 17, 2018 06:51:48 AM GMT-7 - Accrual Basis
### Housing Finance Authority of Pinellas County Trust Fund
#### Trust Fund - Cash Roll
**February 2018**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td><strong>Beginning Balance Operating</strong></td>
<td>$2,054,740.35</td>
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<tr>
<td><strong>Disbursements:</strong></td>
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<tr>
<td>HTF Pinellas County 2nd Mortgages</td>
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<tr>
<td><strong>Total Cash Out</strong></td>
<td>(15,000.00)</td>
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<tr>
<td><strong>Deposits:</strong></td>
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<td>Mortgage Payments</td>
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<tr>
<td>Pinellas Co Housing Authority (Redwood)</td>
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<td><strong>Total Cash In</strong></td>
<td>$8,298.36</td>
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<tr>
<td><strong>Ending Balance Operating</strong></td>
<td>$2,048,038.71</td>
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# Housing Finance Authority of Pinellas County Trust Fund
## Balance Sheet
### As of February 28, 2018

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<th>Total</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
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<td>$2,382,034.74</td>
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<tr>
<td>Bank Accounts</td>
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<td></td>
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<tr>
<td>10-101.001 Regions Bank 66356</td>
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<td>2,048,038.71</td>
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<tr>
<td>Total Bank Accounts</td>
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<td>$2,048,038.71</td>
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<tr>
<td>Accounts Receivable</td>
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<td>115.003 DPA Loans</td>
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<td>Total Accounts Receivable</td>
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<td>Total Current Assets</td>
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<td>$2,382,034.74</td>
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<td><strong>Other Assets</strong></td>
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<td>10-137.000 Due from Lealman Properties Operating Funds Account</td>
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<td>10-138.000 Advances to Lealman Trustee Trust Account</td>
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<td>10-145.000 Second Mortgages Receivable-MF</td>
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<td>TOTAL ASSETS</td>
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<tr>
<th>LIABILITIES AND EQUITY</th>
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<tbody>
<tr>
<td>Liabilities</td>
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<tr>
<td>Long-Term Liabilities</td>
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<td>10-209.000 Due to Other Gov.</td>
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<tr>
<td>Equity</td>
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<td>10-250.001 Opening Bal Equity</td>
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<tr>
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<tr>
<td>TOTAL LIABILITIES AND EQUITY</td>
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Saturday, Mar 17, 2018 06:02:03 AM GMT-7 - Accrual Basis
## Housing Finance Authority of Pinellas County Trust Fund
### Profit and Loss
#### February 2018

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<th>Oct 2017 - Feb 2018 (YTD)</th>
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<tbody>
<tr>
<td><strong>Income</strong></td>
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<td>10-345.100 Distribution Juris</td>
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<td>10-345.104 Program Income</td>
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<td>361.006 Redwood Apts</td>
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<td>$903,542.61</td>
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<tr>
<td><strong>Gross Profit</strong></td>
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<td>$903,342.66</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>10-554.006 Admin Expenses</td>
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<tr>
<td>Non Billed Admin Expenses</td>
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<tr>
<td>Office Supplies</td>
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<td><strong>Total Non Billed Admin Expenses</strong></td>
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<td><strong>Total 10-554.006 Admin Expenses</strong></td>
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<td><strong>Net Operating Income</strong></td>
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<tr>
<td><strong>Net Income</strong></td>
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<td>$903,342.66</td>
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Saturday, Mar 17, 2018 06:02:09 AM GMT-7 - Accrual Basis
## Housing Finance Authority of Pinellas County Land Assembly Fund
### Cash Roll
#### February 2018

<table>
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<td><strong>Beginning Balance Operating</strong></td>
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<td><strong>Disbursements:</strong></td>
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<td><strong>Total Cash Out</strong></td>
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<td><strong>Deposits:</strong></td>
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<td><strong>Total Cash In</strong></td>
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<td><strong>Ending Balance Operating</strong></td>
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20-101 Regions Bank 20811

<table>
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<tr>
<td>Ending Balance Operating</td>
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</table>

Trust Fund - Cash

1 of 1
## Statement of Financial Position

### ASSETS

#### Current Assets

- **Bank Accounts**
  - 20-101 Regions Land Assembly-20811
    - 19,366.27
  - Total Bank Accounts
    - 19,366.27

- **Other Current Assets**
  - 20-133 Due from HFA of Pinellas County-GF
    - 10,931.50
  - 20-134 Due from Pinellas BOCC
    - 6,842.72
  - Total Other Current Assets
    - 17,774.22

- **Total Current Assets**
  - 37,140.49

#### Fixed Assets

- 20-150 Capital Assets-Land Trust-Garden Trail
  - 1,023,003.00
- 20-152 Capital Assets-Land Trust-Lealman
  - 4,826,321.92
- 20-154 Capital Assets-Land Trust-Palms of Pinellas
  - 937,796.96
- 20-156 Capital Assets-Land Trust-3920 57th Ave N
  - 99,437.82
- 20-158 Capital Assets-Land Trust-3998 57th Ave N
  - 116,317.00
- 20-160 Capital Assets-Land Trust-3999 56th Ave N
  - 51,771.14
- 20-162 Capital Assets-Land Trust-Clam Bayou 34th Ave. S.
  - 272,222.00
- 20-164 Capital Assets-Land Trust-3998 56th Ave N
  - 79,335.04
- 20-166 Capital Assets-Land Trust-1119 Woodlawn St.
  - 196,474.85
- 20-168 Capital Assets-Land Trust-3999 54th Ave N
  - 89,989.24
- 20-170 Accumulated Depreciation
  - -339,327.77

- **Total Fixed Assets**
  - 7,353,341.20

**Total Assets**
- 7,390,481.69

### LIABILITIES AND EQUITY

#### Liabilities

- **Current Liabilities**
  - 20-208 Assembly Land Distributions
    - 7,286.07
  - Total 20-208 Assembly Land Distributions
    - 8,116.57

- **Total Current Liabilities**
  - 8,116.57

**Total Liabilities**
- 8,116.57

#### Equity

- **20-250 Invested in Capital Assets**
  - 7,692,668.97
- **Opening Balance Equity**
  - 0.01
- **Retained Earnings**
  - -267,859.99
- **Net Revenue**
  - -42,443.87

- **Total Equity**
  - 7,382,365.12

**Total Liabilities and Equity**
- 7,390,481.69
## Housing Finance Authority of Pinellas County Land Assembly Fund
### Statement of Activity
#### February 2018

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<th>Oct 2017 - Feb 2018 (YTD)</th>
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<td>345.2 Annual Lease Fee-Palms of Pinellas</td>
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<td><strong>Net Revenue</strong></td>
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Saturday, Mar 17, 2018 05:53:27 AM GMT-7 - Accrual Basis
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<td>12/5/2017</td>
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<tr>
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<tr>
<td>1/24/2018</td>
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<td>C</td>
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## PINELLAS COUNTY PROJECTS STATUS AS OF 2/28/2018

<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>UNITS (ACT)</th>
<th>OCC (ACT)</th>
<th>LOW OCC (ACT)</th>
<th>% LOW INCL OCC VAC LOW</th>
<th>% OCC (ACT)</th>
<th>% OCC CHANGE</th>
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<tbody>
<tr>
<td>Alta Largo*</td>
<td>288</td>
<td>272</td>
<td>64</td>
<td>23% VL</td>
<td>94%</td>
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<td>Ashley Place**</td>
<td>55</td>
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<td>Bayside Court</td>
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<td>142</td>
<td>64</td>
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<tr>
<td>Boardwalk***</td>
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<tr>
<td>Boca Ciega Townhomes</td>
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<td>Clearwater Apts</td>
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<td>88</td>
<td>98%</td>
<td>100%</td>
<td>+1%</td>
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<tr>
<td>Cypress Pointe****</td>
<td>26</td>
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<td>James Park</td>
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<td>95%</td>
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<tr>
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<td>149</td>
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<td>97%</td>
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<td>Oak Ridge Estates*******</td>
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</table>

*Reports Annually Next Report due 10/2018 (Sept Report)*

*Reports Annually Next Report due 4/2018 (March Report)*
<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>UNITS</th>
<th>OCC (ACT)</th>
<th>OCC (ACT)</th>
<th>% LOW INCL VAC LOW</th>
<th>OCC (ACT)</th>
<th>OCC (ACT)</th>
<th>CHANGE</th>
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<tbody>
<tr>
<td>Santo's Isle********</td>
<td>50</td>
<td>Reports Annually Next Report due 7/2018 (June Report)</td>
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<tr>
<td>Tarpon Village**********</td>
<td>36</td>
<td>Reports Annually Next Report due 10/2018 (Sept Report) aka Sunrise Place</td>
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<tr>
<td>Transfiguration Manor</td>
<td>68</td>
<td>Reports Annually Next Report due 7/2018 (June Report) *******</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Viridian (Columbian)</td>
<td>188</td>
<td>182</td>
<td>182</td>
<td>100%</td>
<td>97%</td>
<td>-1%</td>
<td></td>
</tr>
</tbody>
</table>

* Alta Largo is required to have a minimum of 20% Very Low Income Adjusted to Family Size.
** Ashley Place reports Annually (September)
*** Boardwalk reports Annually (September)
**** Cypress Pointe reports Annually (September)
***** HEP West (December) and only required to have 28 certified units
****** Magnolia Court reports Annually (December)
******* Oak Ridge Estates reports Annually (March) and only required to have 8 certified units
******** Santo's Isle reports Annually (June)
********* Tarpon Village reports Annually (September)
********** Transfiguration Manor reports Annually (June) and only required to have 5 certified units
TO: Casey Cane, Chairman  
   And Members of the Housing Finance Authority

FROM: Karmen Lemberg, Director of Homeownership Programs and Operations

SUBJECT: Single Family Program Update

DATE: April 4, 2018

Below are the numbers for the continuous lending program 2016B and the HHF program as of March 28, 2018

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<thead>
<tr>
<th>Stage</th>
<th>March 2016B</th>
<th># of Loans</th>
<th>March HHF</th>
<th># of Loans</th>
<th>Total</th>
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<td>$133,870</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>Pooled</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>Purchased by Servicer</td>
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<td>9</td>
<td>$1,295,429</td>
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<td>19</td>
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<td>Reserved</td>
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<td>$3,710,818</td>
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<td>Total</td>
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<td>58</td>
<td>$9,600,974</td>
<td>65</td>
<td>123</td>
</tr>
</tbody>
</table>

Both of our programs saw a significant increase in March. The HHF program has been extended through April 30th.

We adjusted the rate on the 1st mortgage March 24th to 4.875% for conventional loans to 5.25%.

There was no show for No Place Like Home this month. We pick up again next month.
Memorandum

Housing Finance Authority
26750 US Highway 19 N., Suite 110
Clearwater, FL 33761
Phone: 727-223-6418

TO: Casey Cane, Chairman
   And Members of the Housing Finance Authority

FROM: Kathryn Driver, Executive Director

SUBJECT: Consideration of a grant to the 2018 CRED Program

DATE: April 4, 2018

RECOMMENDATION: Staff recommends that the Housing Finance Authority (Authority) approve a grant in the amount of $25,000 to assist in the program design, marketing and implementation of the 2018 CRED Program.

BACKGROUND: The John Scott Daily Florida Institute of Government (FIOG) at the University of South Florida has offered the Certificate in Real Estate Development (CRED) program at USF to provide practical training for local community professionals to grow catalytic leadership to revitalize underserved communities. The Authority has been a supporter of this program since its inception and the Authority has a presence on the Steering Committee as well as sponsor recognition throughout the program and on the FIOG CRED website. Included in the board package is the 2017 Annual Report, the 2017 Actual Expenses and the 2018 Estimated Budget. The $25,000 grant matches the amount contributed by the Hillsborough County Housing Finance Authority. This amount is included in the Authority’s 2017/18 approved budget.
March 19, 2018

Kathryn Driver, Executive Director
Housing Finance Authority of Pinellas County
26750 US Highway 19 N., Suite 110
Clearwater, FL  33761

Dear Kathryn,

On behalf of the University of South Florida, Certificate in Community Real Estate Development (CRED) Program, thank you for your continued support and long standing partnership with the John Scott Dailey Florida Institute of Government (FIOG). Through our collaborative partnership, the CRED program has been able to provide training to over 250 local community development practitioners, community development corporations, faith-based organizations, local governments and other community based organizations.

Over the years, your financial contributions have enabled the CRED graduates to impact our communities through their increased knowledge and understanding of Community Real Estate Development. Enclosed for your review is the 2017 CRED Annual Report, outlining the graduates and class projects that will continue to positively influence community and economic development projects within the Tampa Bay area.

We are requesting your on-going annual financial contribution of $25,000 from the Housing Finance Authority of Pinellas County to assist in the program design, marketing and implementation of the 2018 CRED Program.
Thank you in advance for your continued support of this worthy program. If you have any questions or need any additional information, please feel free to contact me. I look forward to hearing from you soon.

Warmest Regards,

Angela Crist
Director
The Community Real Estate Development Program at USF is successful thanks to the continued support of our friends and partners including the Steering Committee, Alumni and funders. Thank you for all you do.
About the Florida Institute of Government

We realize and implement big ideas for the public sector.

We transform initiatives into credible action plans using research, public opinion surveys, specialized training and services to strengthen governments, agencies and nonprofits. This includes training and technical assistance to code enforcement officers, city clerks, elected and appointed local and state governmental officials, volunteers and the general public. We partner with university professionals with organizational leaders charged with solving specific local issues to identify, evaluate and implement effective solutions.

The Florida Institute of Government (FIOG) was established by the Legislature in 1981 as part of a consortium of universities that share a statewide mission:

“to increase the effectiveness and quality of government in Florida through applied research, training, and technical assistance programs and public service.”

The institute was named in honor of John Scott Dailey, its founding executive director. At the University of South Florida, we are housed within the College of Arts and Sciences as a cohort of the School of Public Affairs.
Course Summary
The Certificate in Real Estate Development (CRED) program at USF offers practical training for local community professionals to grow catalytic leadership to revitalize underserved communities. The three module program focuses on professional development for the local community development industry and works to create partnerships to develop and sustain viable communities. The program provides the tools needed to carry out successful community based real estate development projects through over 60 hours of classroom training, guest speakers, classroom exercises, homework and group projects. Participants who complete the course receive certificates of completion from USF Continuing Education and the Florida Institute of Government, and become CRED alumni.

Purpose
The goal of the Community Real Estate Development program is to create effective leadership in community development for long-term benefits to the community. The purpose of CRED is to provide professionals with opportunities to problem-solve local market issues while providing exposure to local, seasoned practitioners at an affordable cost with support from a steering committee of dedicated professionals which connect the program to the market.

Community Benefit
The CRED program targets nonprofit, government organizations and other community development professionals to expand the capacity of these organizations. By expanding the number of skilled professionals who are uniquely qualified to formulate and package dynamic real estate and economic development projects in low income neighborhoods and communities, we can stimulate economic development and create new partnerships for viable community development projects.

Desired participant outcomes
- Develop a personal perspective concerning community real estate development
- Learn basic skills in real estate analysis
- Understand the language of real estate development, underwriting & investment
- Identify a project and determine preliminary feasibility
- Articulate a deal and package it for presentation to partners
- Understand Tampa Bay Market DNA
- Gain exposure to local market opportunities and possibilities
- Understand the community real estate development process
- Gain skills for managing development including partnerships, legal issues, project management, financial statements, negotiating and presentation skills
The overall program outcome is to produce a well-trained workforce that can use the skills acquired to have a real-world impact in their local community.
John Talmage was the President and CEO of Social Compact, a Washington, D.C.-based nonprofit focused on breaking down barriers to private investment in inner-city neighborhoods.

As the Executive Assistant for the City of New Orleans’ Mayor’s Office of Economic Development, John monitored the restructuring of the HUD 108 program, was the ombudsman for new real estate developments, oversaw the redevelopment of the Orleans/Jefferson Renewal Community, restructured the City’s Economic Development Fund to support redeveloping the city’s small business delivery systems and helped restructure the City’s Disadvantage Business Enterprise program.

Anthony Jones is the CEO of Bright Community Trust, which aims to create healthy and sustainable neighborhoods so that hardworking families can achieve security and stability. He leads a team of nine responsible for housing finance and neighborhood redevelopment; developing plans, projects and programs; monitoring compliance; and intergovernmental coordination.

Anthony worked for Pinellas County Government, as Director for the Community Development Department and the Housing Finance Authority of Pinellas County. He was responsible for the planning, operations, management and evaluation of housing finance and community development programs.

John Talmage  
Community Development Professional

Anthony Jones  
Bright Community Trust
SPEAKERS AND FACULTY

Sylvia A. Alvarez  
Executive Director, Housing and Education Alliance; CRED Tampa Bay Alumni; CRED Steering Committee Member

Roxanne Amoroso  
Principal in Mosaic Development; Senior Vice President, Incore Residential; CRED Steering Committee Member

Phil Bacon  
President/Chief Executive Officer, Urban Philanthropies

Ernest Barfield  
Executive Director, Plant City CDC; CRED Tampa Bay Alumni; CRED Steering Committee Member

Phillippe Beau, PhD  
President, B.E.A.U. Institute; Asset Management, Acquisitions and Development Director, Klein and Heuchan; CRED Alumni

Derrick Blue  
Executive Director, Coastal Bay Properties/Community Builders Construction; CRED Tampa Bay Alumni

Dr. Stephen Buckman, PhD  
Assistant Professor, USF School of Public Affairs, Urban and Regional Planning; CRED Steering Committee Member

Bruce Bussey  
Housing Development Manager, Pinellas County

Angela Crist  
Director, USF Florida Institute of Government

Quiana Daughtery  
City of Tampa; CRED Tampa Bay Alumni

Craig Emmanuel  
CRED South Florida Alumni

Trent Green  
Associate Professor of Architecture and Urban Design, USF School of Architecture and Community Design; CRED Steering Committee Member

Janet Hamer  
Community Development Manager, North and Central Florida, TD Bank

David Hollis  
NSP2 & Choice Neighborhoods Grant Administrator, Tampa Housing Authority; CRED Tampa Bay Alumni; CRED Steering Committee Member

Ed Johnson  
Urban Development Manager, East Tampa Economic and Urban Development Department, City of Tampa

Reverend Dr. Samuel Kirkland  
President, Shepherds Care Ministries, Inc.

Vanessa McCleary  
Housing and Community Development Manager, City of Tampa, CRED Tampa Bay Alumni; CRED Steering Committee Member

Leroy Moore  
Senior Vice President/Chief Operating Officer, Tampa Housing Authority; CRED Steering Committee Member

Debra Reyes  
Neighborhood Lending Partners; CRED Steering Committee Member

Tom Shelly  
Broker, Owner, Realtor, Sunshine Commercial Brokerage, LLC; CRED Tampa Bay Alumni

Debbie Sheridan  
Vice President of Commercial Lending, Hancock Bank

Lanie Wasserman  
Neighborhood Lending Partners

Tom Woodrich  
Principal Planner, Polk County BOCC; CRED Tampa Bay Alumni
CURRICULUM SYNOPSIS

Modules
The three-module program focuses on professionalizing the local community development industry and creating partnerships to develop and sustain viable affordable housing and community development projects.

Module 1: Basic Skills in Real Estate Development
This module provides participants the basic skills needed to start the real estate development process. Participants become acquainted with the fundamental tools that will be used throughout the program.

Module 1 Outcomes:
• To create pro formas for affordable housing and rental housing
• To use Excel and project analysis software to create spreadsheets for project analysis

Module 2: Project Financial Analysis: Understanding Financing and Subsidy Resources Available for Affordable & Workforce Housing Development
Intensive one-day workshops with homework assignments using the knowledge gained in the Basic Skills Module.

Students develop an understanding of:
• Public and private financing, subsidy resources for community development and the underwriting requirements of the resource providers
• Using a variety of case studies, students will be taught to prepare project financial analysis and to creatively structure feasible projects
• The critical learning test will present participants a set of development objectives and a set of available resources and their requirements, with concepts of how can you make this project work

Module 3: Deal Structuring & Financial Planning for Affordable Housing/Community Development Projects as well as Managing the Real Estate Development Process
This module is designed to prepare students for the development and implementation of an actual project concept. At the beginning of this session, students are required to select specific project and work groups.

Module 3 Outcomes:
• Deal Planning, including: Creating a Project Work Plan, Site Control/Acquisition/Financing Strategies, Managing the Members of the Development Team, Understanding the Regulatory Issues and Requirements
• Partnering, Joint Venturing and Collaborating
• Legal Issues with Partnerships and Joint Ventures
• Negotiating Relationships; Principles of Negotiating
• Packaging & Final Presentation of the Deal for Financing
CRED TAMPA BAY
COURSE SCHEDULE

Week 1
• Course Overview
• Project Selection & Development
• History of Community Development
• Basic Skills in Real Estate Development

Week 2
• Introduction to the Pro Forma
• Group Work: Development of Group’s Pro Forma
• Introduction to Market Analysis
• Group Work: Learning to Use a Policy Map and Other Tools for Market Analysis

Week 3
• CRA and a Financial Institution’s Obligation to Invest in a Low or Moderate Income Community
• An Overview of Housing Programs
• Land Use, Site Selection, Architecture, and Design

Week 4
• Community Tour
• An Overview of Local, State, and Federal Programs
• Community Engagement
• How to Respond to a Governmental RFP

Week 5
• How to Approach Design
• The Development Process and the Stages of Development
• How to Make an Effective Presentation
• Practice Presentations

Week 6
• Your Pro Forma: One More Look
• Culmination
**TAMPA BAY 2017 GRADUATES**

**Eric Adams  USF Graduate Student**
Eric is presently a graduate student in the University of South Florida’s Urban & Regional Planning Program with interests in community and economic redevelopment. Presently, he works at Tindale Oliver in Tampa in their Transit Planning Division, where he is responsible for transit plan creation through research and data analysis. New to Florida in 2016, he has become involved with a few Florida chapters of professional organizations and continually strives to make connections between classroom concepts and projects currently underway in the greater Tampa Bay area, for example, by keeping up with the Tampa innovation Alliance, or participating in urban design competitions.

**Jeff Burton  Palmetto CRA & USF Graduate Student**
Jeff is the Director of the Community Redevelopment Agency of Palmetto, Florida. Under his direction, the Palmetto CRA has developed multiple public projects as well as incentivized millions of dollars in private investment. He also sits on the Florida Redevelopment Association and Florida Brownfield Association Board of Directors as well as being a member of the Council of Development Finance Agencies Florida Advisory Committee. Jeff has earned a Bachelor’s Degree in Economics, a Master’s in Public Administration and is currently enrolled in the Environmentally Science and Policy Doctorate program. He has also served as a Palmetto City Councilman and Vice Mayor.

**Eric Castro  Raymond James & USF Graduate Student**
Eric is a senior at the University of South Florida, studying Finance. He has a passion for Real Estate, Investments, and community development. Eric is the Administrative Vice President of the Real Estate Society of USF and through this organization, he had the opportunity to start working for the Housing and Education Alliance. During his time there, he met many lenders, realtors, and developers that had the objective of working to create a better community. Since July of 2016 Eric has been an intern for the Accounting Systems and Projects Department of Raymond James, and is in the hiring process for a position in the Tax Credit Funds Department.

**Austin Gibble  USF Graduate Student**
Austin is a Graduate Student at the University of South Florida and a Graduate Research Assistant for the Center for Urban Transportation Research, where he analyzes data and conducts general research on transportation-related topics and their community impacts. Originally hailing from the Indianapolis-area, Austin obtained his undergrad in Industry & Technology from Ball State University in 2014 with a minor in Urban Planning and Development and has spent previous years working in the public sector. He plans to graduate from the University of South Florida with his Masters in Urban & Regional Planning with a focus in transportation in May of 2017.

**Tamara Goudy  TS Speech Therapy**
Tami has been involved in community improvement and safety for the past 8 years in Bradenton, Florida. She is the founder of a non-profit organization, West Bradenton Crime Watch, that partners with businesses and local public safety agencies to bring crime prevention education to residents. She is a Florida Crime Prevention Practitioner, Florida Crime Prevention Through Environmental Design Practitioner, and a National Crime Prevention Specialist. She is a certified *Refuse to be a Victim* instructor. Tami has two Master’s of Science Degrees in elementary education and speech-language pathology. She owns a speech therapy company, and is involved in local politics with aspirations to be elected to Bradenton City Council.
William Jackson  Tampa Housing Authority
Bill studied business administration and criminology and dabbled in property management and community development before finding his first career in law enforcement. He ended this career working out of the AG’s Office in the violent crimes division. After moving to the Tampa Bay area, he got involved in property management and community development. He began working at the Tampa Housing Authority (THA) where he became a Senior Property Manager, then worked for the Sarasota Housing Authority as the Director of Asset Management and Capital Funds. Bill is now at the THA as the Public Safety Director. He is a member of the NAACP, Knights of Columbus, and a council member of his church. His wife and he are also active members of the Florida Guardian ad Litem Program.

LaShante Keys  City of Clearwater
LaShante is a native Floridian and holds a B.S. in Criminal Justice, a B.A. in Communications and an M.S. in Human Services. For almost 15 years, LaShante has designed and implemented programs to assist struggling youth and has delivered hundreds of trainings throughout the U.S. centered on diversity, team building, and cultural competency. LaShante is the Founder/CEO of Community EFX, Inc., a non-profit based in St. Petersburg, FL that addresses education and health disparities by creating programs to empower, improve and connect communities. In 2017, he began investing in establishing a real estate firm to bring housing and jobs to underprivileged neighborhoods.

Joanna Lopez-Walker  Tampa Housing Authority
Joanna has spent time as a Case Manager and as a Community Organizer where she organized a case management plan to provide self-sufficiency programs for the homeless population in Tampa and underprivileged communities in San Juan. She has dedicated her professional life to communities, working to improve lives and to enhance the justice system. Before joining the THA, Joanna worked for the State Attorney’s Office; Children’s Home Society in Seminole County; and The Department of Children and Families in Orange County. Currently, Joanna provides services to homeless individuals involved in the court system, focusing on intensive case management targeted towards housing stabilization and self-sufficiency.

Katrina Lunan-Gordon  City of Largo
Katrina moved to Florida from St. Catherine, Jamaica. She studied Urban and Regional Planning at Ball State University in Indiana and then at Florida Atlantic University. She then began working in the public sector, ensuring that each city she worked in was being planned according to its residents. Passionate about planning, her move from South Florida to Central Florida was a natural fit. With encouragement from family, friends and neighbors, Katrina recently accepted a new position as Planner I at the City of Largo. In her free time, Katrina loves to travel and seek adventurous opportunities. Katrina aims to make cities livable, valuable and supportable.

Kella McCaskill  Keller Williams Realty
Kella is a community advocate. Over the past 20 years, she has enjoyed serving the Greater Tampa Bay area in the mortgage and real-estate industry. Kella, the former manager of the Executive Resolutions Group of one of the largest financial institutions in the U.S., is a sought-after consultant to attorneys and non-profit organizations seeking resolutions with various clients regarding the mortgage crisis. She recently wrote an article for the National Consumer’s digest magazine. Kella strongly believes that educating the buyer today helps to prevent another mortgage crisis tomorrow. Kella resides in Tampa, and is a member of Rivers of Life Church Ministries in Brandon. She is currently volunteering weekly at The Centre for Girls.
TAMPA BAY 2017 GRADUATES

Lisa Anne Mifflin  U.S. Treasury Department
Lisa is a National Bank Examiner and Community Affairs Officer with the Office of the Comptroller of the Currency where she conducts Community Reinvestment Act (CRA) evaluations and provides CRA training, technical assistance and community development resources to national banks, federal savings associations and other community stakeholders in Florida and Oklahoma. Lisa also leads and participates in CRA examinations in community and large banks throughout the country. Lisa graduated from the University of South Florida with a Master of Public Administration, Bachelor of Science in Finance, and Certificate in Urban Studies.

Sharon Perdue  CDC of Tampa
Sharon has over 30 years of financial, audit and accounting experience. Over 15 years of her experience is related to real estate development. Sharon has been CFO/Controller for a residential real estate developer, General Contractor firm, Plumbing and Mechanical Subcontractors and an Architectural Firm in addition to her current role of CFO for a nonprofit community organization. Her experience in real estate development includes creation of project budgets and operating proformas, creation and review of development agreements, AIA Construction agreements, monitoring of project performance against the budget and financial reporting for the project to owners and investors.

Elizabeth Perry  Bright Community Trust
Elizabeth, Bright Community Trust Office Administrator, has over 2 years of experience in community development. As Office Administrator, her daily tasks vary from ensuring files are up to date to preparing invoices, and even performing construction inspections. Elizabeth previously worked for Florida Minority Community Reinvestment Coalition as the Program Coordinator, where she managed daily operations and worked closely with contractors to build new construction and rehab single family homes. Elizabeth graduated Magna Cum Laude from the University of South Florida with a Bachelor’s Degree in French and a Minor in International Studies in 2014.

Cendy Rojas  Housing & Community Development, City of Tampa
Cendy is currently a Housing Counselor II for the City of Tampa. She began her career in the Housing industry in 2009 at a Non-Profit HUD approved agency in California and later worked for the Sacramento Housing and Redevelopment Agency as a HUD-VASH caseworker. She worked alongside VA Case Managers to house displaced veterans and administered their housing vouchers. She ensures counseling service quality by adhering to agency policies and departmental procedures. She has also helped in the development of strategies and procedures for addressing financial objectives with clients and various programs within the agencies she has worked at.

Leigh Scrabis  Fort Meyers CRA
As the Executive Director of the City of Fort Myers Community Redevelopment Agency (CRA), Leigh leads redevelopment and economic development efforts in Fort Myers’ 15 redevelopment areas as well as overseeing the city’s parking operations. Her office serves as ambassador and facilitator between the development community and the city staff. Leigh also currently serves as a board member for the Florida Redevelopment Association. She has earned the International City/County Management Association’s Local Government Management designation along with the Florida Redevelopment Association’s CRA Administrator designation and has a background in civil engineering and investment management.
Jennifer Sheppard  USF Graduate Student
Jennifer is in her second semester at the University of South Florida where she is studying in the Master of Urban and Regional Planning program. Jennifer is pursuing a concentration in Community Development as well as the Geographical Information System (GIS) Certificate. She received her B.A. in Mathematics from the University of South Florida, and is involved in her community as a volunteer at the College and Career Center at Robinson High School. Jennifer hopes to incorporate her diverse interest and varied background in helping communities build a more economically and socially sustainable future.

Ronald Spoor  Habitat for Humanity of Hillsborough County
Ron is currently the Chief Operating Officer of Habitat for Humanity of Hillsborough County, where he operates and grows their homeownership program. Ron has worked with Habitat for Humanity and in producing affordable housing in Florida, Maryland, Washington DC, and Pennsylvania for more than twenty years. His areas of focus have included real estate, land development, design, rehabilitation, mixed-income subdivisions, and green building initiatives. Ron obtained a Bachelor’s degree in Urban Growth Management, with a focus on affordable housing design, from Rollins College in Winter Park, Florida.

Nicole Tremblay  Palmetto CRA
Nicole is a current graduate student in Environmental Management & Policy at the University of South Florida, where she mainly studies planning and development through an environmental lens. She holds a bachelor’s degree in psychology from Amherst College, and since graduating has been a public health intern in El Salvador, a server, a teacher, and a college planning consultant. She now works for the City of Palmetto CRA as a strategic planning specialist, helping to direct downtown revitalization as well as designing new programs and revising existing programs, including mixed-use development.

Shawonnia Wade  Tampa Housing Authority
Shawonnia has worked in Public/Affordable Housing for 21 years and it is here where she discovered her passion to serve others and make a difference in communities that are economically challenged. She is a single mother of three adult children and three grandchildren who look to her as an example of how to overcome obstacles. When counseling families, she relates to the issues that some may be faced with and exercises empathy, not sympathy. Shawonnia understands that helping people move through issues in a positive, healthy manner is key to building and keeping strong families. Shawonnia continues to inspire and be inspired by all that this life has to offer.

Ashley Washington  Goldman Sachs Private Wealth Management
Ashley is the Founder and Principal of Urban Redevelopment Group. Prior to this, Ashley worked at Goldman Sachs, most recently as a Financial Investment Professional within Private Wealth Management. Ashley is involved in community work, as an advisor and mentor for small business incubators and accelerators. She is the youngest donor of an endowed scholarship at the University of South Florida, and serves as Chair of the Junior Advisor Council for the Muma College of Business. She is committed to fostering strong partnerships in the Tampa Bay community for the enhancement and economic development of underserved areas. Ashley holds a B.S. in Finance from the University of South Florida, as well as a series 7 and 63.
CULMINATION

Group Projects and the Culmination Event

Each CRED class ends with a culmination event where each student demonstrates what they have learned using real-life case studies. This process is integral to the success of the program by providing a platform upon which participants’ achievements in the course can be measured. The Culmination Event also gives participants experience in pitching a possible development project based on their own creativity and analysis of feasibility and funding.

Members of the Tampa Bay 2017 class developed project concept papers based on an identified problem or opportunity, and presented their concepts to the class at the beginning of the course. Class members voted to determine which of the concepts best represented their areas of interest, areas of learning, and market-relevance, then divided into teams around the selected projects.

The four projects chosen this year encompass a range of issues in the Tampa Bay region. Project teams developed their project including parameters set by the instructor. As the Culmination Event approached, participants finalized their presentations making sure all parameters were met. Presentations were reviewed by a select group of community development practitioners, including members of the CRED Steering Committee, at the Culmination Event. Each group was asked follow-up questions and given beneficial feedback by the panel. Projects were reviewed based on their relevance to today’s market, quality of presentation, quality of substantive information and the ability to address and deal with questions.

This year’s judges were:
- Roxanna Amoroso, Principal, Mosaic Development; Senior Vice President, Incore Residential
- Trent Green, Associate Professor of Architecture and Urban Design, USF School of Architecture
- Ed Johnson, Urban Development Manager, East Tampa Economic and Urban Development Department, City of Tampa
- Reverend Dr. Samuel Kirkland, President, Shepherds Care Ministries, Inc., Retired
- Debra Reyes, President/CEO, Neighborhood Lending Partners
- Debbie Sheridan, Vice President of Commercial Lending, Hancock Bank

The projects presented by this year’s class are detailed in the following pages.
ALL SEASONS MARKET
Eric Adams, Eric Castro, LaShante Keys, Nicole Tremblay

Market
The current size of the grocery retail market in the area is estimated to be nearly $140M annually and $3,000 per household. Combined with a grocery leakage rate in excess of 70%, and therefore over $100M annually and $2,600 per household, the market is not only ripe but demanding a grocery retail outlet be established. When projecting potential market demand, we estimated a capture of $2.12M (8% of the total market for natural grocers) by Year 6.

Community Impact
The All Seasons Market will serve the community by selling healthy, affordable foods that are culturally appropriate and suitable for diets associated with common health problems. Access to the market will provide more food selection, jobs and a sense of ownership from the community. The All Seasons Market will also offer cooking and nutrition classes to educate the community.

Management
The Market will be supported by a collective management structure led by community members and an Executive Director, Membership Program Manager, two General Managers and a Special Events Coordinator. Community members oversee the Executive Director and guide management of resources. The Executive Director and General Managers are responsible for daily operations.

Development Concept
The All Seasons Market is a co-op that can begin to fill the gap in the provision of healthy, reliable food sources in Midtown St. Petersburg, FL. Since the closing of a Walmart Neighborhood Market on the proposed site, residents have had to travel over two miles to reach the nearest grocery store.

Development Scheme and Site Plan
This site is part of an existing commercial plaza of which the All Seasons Market will occupy 40,573 square feet of the plaza’s retail space. The Market will utilize only 20,100 square feet, with room to grow into space initially rented out to local artists, small business owners, and agriculturalists. The project will require renovation of the existing grocery infrastructure to include a laboratory-style teaching kitchen, a permanent grocery co-op, and an indoor vendor market area with entertainment space.

Financial Feasibility
Grocery stores are usually profitable in the 3-6 year time frame and the All Seasons Market is projected to record profits during the end of Year 3, on the better end of the industry average because of an efficiently executed adaptive reuse. The largest costs of the co-op remain the operations costs and overheads including rent, utilities, management & staff, and maintenance.

Collaborations
All Seasons Market will thrive on community collaboration. The kitchen will collaborate with chefs and gardeners to offer a variety of education and job training. The co-op will be supported by local urban farmers directly in the neighborhood and food distributors as well as the residents themselves as partners. The City of St. Petersburg and the South St. Pete Community Redevelopment Agency will be major partners.

Threats and Challenges
The greatest challenge will be obtaining membership from the neighboring communities. While a food co-op in a middle- to high-income setting may be able to rely on membership and loans to sustain, lower-income communities usually need assistance from nonprofits and community-development funding sources. The co-op will also need to earn the trust of the residents, as two grocers have left the area within three years. Neighborhood commitment and involvement from the beginning is extremely important.
Development Concept
The team is proposing the development of 2 acres of vacant lots, located at Palm and Nebraska Avenue in Tampa, restoring the vital link between downtown and Ybor City. Arts Gateway will be a modern, artist-themed community promoting the live-work-play model that is growing in popularity, especially among artists and millennials. The community will be pedestrian and cyclist friendly with a restaurant, small grocery, commercial space, artist studios and galleries, as well as single-family homes, town homes, and apartments.

Development Scheme and Site Plan
Phase 1 of Arts Gateway begins with the development of an affordable mixed-use project where prospective renters can call home. This approach offers renters a non-traditional housing option, along with art studio spaces for artists to rent. It will include 20 art studio spaces, 10 one bedroom units, 15 two bedroom units, and 5 three bedroom units. These will be single, two story and three story affordable housing and market rate units.

Financial Feasibility
Total project costs of $5.1 million include land acquisition and development of housing and art studios. Housing and studio development costs include site improvements, construction costs, developer fee, contingency fees and reserves for interest and operating expenses. Financing would be provided through a combination of sources including private lending. Project equity of $1 million includes land donation, development subsidies and grants.

Collaborations
Possible collaborations to promote studio space include Hillsborough Arts Council and Ybor Artist Colony. Others include the City of Tampa, who will provide SHIP funding as well as vacant lots for future development phases. GTE Financial will also donate their vacant lot. The development team will collaborate with the Federal Home Loan bank as well as a private lending source to secure financing.

Threats and Challenges
The project location is in a neighborhood with brick streets, granite curbs, vacant property and houses. The abundance of vacant properties is a plus as a developer can begin construction with minimal demolition. The location adjacent to I-275 restricts funding sources to those which do not require noise assessment/abatement. The biggest challenge identified is securing that initial group of residents to an area that has yet to experience its renaissance.

Market
The Arts Gateway is located in a vibrant area of Tampa and is within walking distance of Ybor City. Tampa Police Department 2017 Crime Statistics indicate the Arts Gateway area crime rate (7.1%) is below average compared to similar grids in the area. A study of the surrounding area comprised of 5,380 units with an average size of 921 square feet had an average occupancy rate of 96%. Policy Map indicates the Arts Gateway area has the most concentrated area of professional artists, highest rating for broadband, and 44% of the population makes between $35,000 and $100,000 annually.

Community Impact
The Arts Gateway District is potentially the most overlooked, undervalued property in Tampa, and is set to become the long-awaited link between Ybor and Downtown. Community impacts will include major increases in tax revenues, improved community walkability and connection, and a district with arts infusing and uniting the City.

Management
Arts Gateway, LLC will contract with CBRE Property Management. This will be coordinated from offsite and will include a variety of services including collecting rent, overseeing general maintenance, security, etc. CBRE will pay monthly expenses from escrow account and provide monthly CAM reconciliation.
THE BELVEDERE
Austin Gibble, Tami Goudy, Katrina Lunan-Gordon, Kella McCaskill, Sharon Perdue

Market
Overall, real-estate for lease verses sale in The Westshore business district, is becoming a very popular trend. In fact, there are over 7 newer apartments developed in the area. Four of the projects were built in the last 24 months. We will provide townhomes in a market of over 94,000 employees. Our townhomes will be in great demand. This is the fastest growing metropolitan area in the nation, with approximately 38 hotels and 250 restaurants. The development area is also near Westshore Plaza, Steinbrenner Field, and Raymond James Stadium.

Development Concept
To develop a 4-unit townhouse development at 4155 and 4157 W Cypress St in Carver City in West Tampa.

Development Scheme and Site Plan
The project will include 3 story, 3 bedroom, 2 bath townhomes at 2,700 sq ft with a private rooftop deck, a double balcony, and a 2 car garage space. Current zoning is RS-50 1 unit/1 dwelling lot. We will request a change to a PD - Planned Development RM-18, 18 units/acre with Parcel A at .14 acres and Parcel B at .11 acres.

Community Impact
The Belvedere at Westshore sits at the entrance of The Westshore Business District. The development will improve the appearance of The Caver City Lincoln garden community. Currently, the community is a mix of older single family homes. Over the past 4 years, the area has experienced a significant increase in apartment and condo development. The development will further the improvement of this changing community.

Financial Feasibility
Total development costs will be $2,006,929, which includes land acquisition, construction, and general development. Financing will be from a lender at $1,304,504 and from an investor at $702,425. There will be a total revenue of $2,388,900 from sales. This, revenue after the total development cost of $2,006,929 will yield a developer profit of 16%, or $381,971.

Collaborations
The project will be marketed through affiliations such as The Westshore Business alliance, and The South Tampa Chamber of Commerce.

Threats and Challenges
The Belvedere is in an up and coming community. The ability to secure financing will be a challenge for a small development.

Management
The project will be managed by Attorney Barbara Brown (Brown and Associates).
Development Concept
The project will develop the first phase of a multi-family infill townhouse development in East Tampa.

Development Scheme and Site Plan
This is a two-story, 10 unit townhome development with both one and two bedroom units on a .57-acre lot, zoned RM-18. Land use is multi-family at 2909 Lindell Avenue in East Tampa.

Financial Feasibility
Total development costs will be $835,267. This includes:

- $91,000 total land costs
- hard costs of $634,738
- architect/engineer costs of $26,100
- marketing costs of $6,308
- general and administrative costs of $69,622, and
- financing costs of $7,500

Pro-Forma financial analysis includes the cost of development at $835,267 with an equity capital contribution of $250,580 and debt financing at $584,687. The project is expected to break even at 5 years with an annual income of $126,348 from rents. We are seeking to participate in the predevelopment loan program with the Florida Housing Coalition for financing sources.

Market
The area consists primarily of 49,635 families, 25.52% of which are single parents with children and 18.39% that are married with children. Rental statistics show that they are primarily one and two bedroom unit households paying between $750 - $1,000 a month in rent, with 62% of household income at above $25,000 annually.

Community Impact
One of the goals of the project is to improve housing quality standards and maintain community culture.

Collaborations
We will strategically partner with Abe Brown Ministries and the Tampa Housing Authority to provide affordable housing for low income residents interested in living in the area.
OUR SUPPORTERS

CRED TAMPA BAY STEERING COMMITTEE

Sylvia Alvarez
Housing and Education Alliance

Roxanne Amoroso
Mosaic Development, Incore Residential

Ernest Barefield
Plant City CDC, CRED Alumni

Stephen Buckman, PhD
USF School of Public Affairs, Urban and Regional Planning

Kathryn Driver
Housing Finance Authority of Pinellas County

Jack Garrett
Homeless Coalition, CRED Alumni

Trent Green
USF School of Architecture, Architecture and Urban Design

David Hollis
Housing Finance Authority of Hillsborough County

Vanessa McCleary
City of Tampa

Leroy Moore
Tampa Housing Authority

Lisa Reeves
Engel & Volkers, CRED Alumni

Debra Reyes
Neighborhood Lending Partners

Tom Shelly
Sunshine Commercial Brokerage, LLC, CRED Alumni

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For more information, please contact:
Becky Clayton, Training Support Specialist
raclayton@usf.edu | (813) 974-9627
# 2017 CRED Tampa Bay Program Expense Report

## Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hillsborough HFA</td>
<td>$25,000.00</td>
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<td>Pinellas HFA</td>
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<tr>
<td>Attendee fees</td>
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<tr>
<td><strong>Total Program Revenue</strong></td>
<td><strong>$62,400.00</strong></td>
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</table>

## Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Salaries</td>
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<tr>
<td>Consultants</td>
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<td>Participant Catering</td>
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<td>Culmination Event</td>
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<tr>
<td>USF University College (CEU's)</td>
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<tr>
<td>Travel, Steering Committee Meetings, Conferences</td>
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<td>Printing/Office Supplies/Final Report</td>
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<tr>
<td>USF F&amp;A fee</td>
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<tr>
<td><strong>Total Program Expenses</strong></td>
<td><strong>$62,400.00</strong></td>
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## Thirlun Jackson Memorial Fund - current balance

$490.78
## 2018 CRED Program Budget--Tampa Bay

<table>
<thead>
<tr>
<th>Total Program Cost</th>
<th>Suntrust Foundation</th>
<th>Hillsborough Housing Finance Authority (HFA)</th>
<th>Pinellas Housing Finance Authority (HFA)</th>
<th>Participant Fees (Estimated)</th>
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<tbody>
<tr>
<td>Programmatic Staff Salaries</td>
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<td>USF Administrative Cost</td>
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<td>Food Expenses</td>
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<td>Facilitator/Consultant</td>
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<td>Additional Instructors</td>
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<td>USF CE--Certificates</td>
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<td>Marketing/Advertising</td>
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<td>Travel</td>
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<td>Graduation Event</td>
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<td>Expenses</td>
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<td>$15,000.00</td>
<td>$25,000.00</td>
<td>$25,000.00</td>
</tr>
</tbody>
</table>
Memorandum

Housing Finance Authority
26750 US Highway 19 N., Suite 110
Clearwater, FL 33761
Phone: 727-223-6418

TO: Casey Cane, Chairman
And Members of the Housing Finance Authority

FROM: Kathryn Driver, Executive Director

SUBJECT: Consideration of a Resolution re: Financing of a Multi-Family Housing Project (Woodlawn Trail Apartments)

DATE: April 4, 2018

RECOMMENDATION: Staff recommends that the Housing Finance Authority (Authority) approve a Resolution approving actions about Woodlawn Trail and authorizing the issuance of not to exceed $8,200,000 of Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) and other related financing documents and other required actions.

BACKGROUND: The property, known as Woodlawn Trail Apartments, is an affordable housing project site which the County has targeted utilizing the proceeds of the Affordable Housing Land Assembly Fund. The transaction will also be financed with the proceeds of tax-exempt private activity revenue bonds issued by the Authority which will convert from a construction loan to permanent debt financing upon construction completion through the Citi Bank direct placement program, 4% low-income housing tax credit equity, a SAIL loan and ELI loan from Florida Housing Finance Corporation, funding from the City of Clearwater as well as deferral of developer fee by Southport Development Services (Southport or Developer). The financing will allow the Developer to construct an 80-unit new construction affordable housing community that will target the family demographic in the City of Clearwater (Property). The Property is located at 826 Woodlawn Street, Clearwater, Pinellas County. The Property will offer 2BR and 3BR units configured in five buildings with 100% of the units rented as affordable housing. 90% of the units will be rented to households with incomes at or below 60% of the Area Median Income for Pinellas County with the remaining 10% of the units set-aside for households with incomes at or below 40% of the Area Median Income for Pinellas County. The Land Assembly Fund will be used to acquire the land for this transaction.

Southport is a highly experienced developer of affordable housing units in numerous states with a primary emphasis in Florida. Through its principals, Southport owns and has developed over 160 developments of this type around the country comprising over 16,000 units.

The final Credit Underwriting Report from Seltzer Management is included in the board package.
RESOLUTION NO. 2018-___

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $8,200,000 OF HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE NOTE, SERIES 2018 (WOODLAWN TRAIL APARTMENTS), IN ONE OR MORE SERIES (THE "GOVERNMENTAL LENDER NOTE") AND PROVIDING FOR CERTAIN DETAILS THEREOF; APPOINTING A FISCAL AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT WITH CITIBANK, N.A., AS FUNDING LENDER AND U.S. BANK NATIONAL ASSOCIATION, AS FISCAL AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BORROWER LOAN AGREEMENT WITH SP TRAIL LLC, AS THE BORROWER; APPROVING THE FORM OF A BORROWER NOTE; APPROVING THE FORM OF THE SECURITY INSTRUMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE ASSIGNMENT OF MORTGAGE AND LOAN DOCUMENTS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT; DETERMINING THE NEED FOR A NEGOTIATED PRIVATE SALE OF THE GOVERNMENTAL LENDER NOTE; APPOINTING A COMPLIANCE MONITOR; AUTHORIZING THE PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Pinellas County, Florida (the "Board"), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Pinellas County, Florida (the "Authority"), pursuant to the provisions of chapter 159, part IV, Florida Statutes, as amended and supplemented (the "Act"); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Pinellas County, Florida (the "County"); and

WHEREAS, the Authority, pursuant to the Act, may issue its Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments), in one or more series, in an aggregate
principal amount not to exceed $8,200,000 (the "Governmental Lender Note") to make the Borrower Loan (as defined below) to be used by the Borrower (as defined below) to finance the acquisition, construction and equipping of a multifamily rental housing development known as Woodlawn Trail Apartments, consisting of approximately 80 units located on an approximately 8.1 acre site at 826 Woodlawn Street in the City of Clearwater, Florida (the "Project"); and

WHEREAS, the proceeds received by the Authority from Citibank, N.A., as purchaser of the Governmental Lender Note and as the Funding Lender will be loaned (the "Borrower Loan") to SP Trail LLC, a Florida limited liability company (together with its successors and assigns, the "Borrower") to finance a portion of the costs of the Project pursuant to the terms and provisions of that certain Borrower Loan Agreement expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued (the "Borrower Loan Agreement") by and among the Authority and the Borrower in substantially the form attached hereto as Exhibit A; and

WHEREAS, Citibank, N.A. (herein, the "Funding Lender") will advance funds to the Authority pursuant to the terms and provisions of that certain Funding Loan Agreement expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued (the "Funding Loan Agreement") by and among the Funding Lender, the Authority and the Fiscal Agent (as defined below), in substantially the form attached hereto as Exhibit B; and

WHEREAS, it is the intent of the Funding Lender and the Authority that the interest payable on the Governmental Lender Note be excludable from the gross income of the Funding Lender for federal income tax purposes (herein, "Tax-Exempt Obligations"); and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder imposes certain requirements on governmental issuers, such as the Authority, in order that the debt of such issuers, including the Governmental Lender Note in the case of the Authority, be issued as Tax-Exempt Obligations; and

WHEREAS, the Borrower Loan shall be made pursuant to the Borrower Loan Agreement and will be evidenced by that certain Multifamily Note from the Borrower payable to the Authority (the "Borrower Note") in substantially the form attached hereto as Exhibit C and will be secured by a Multifamily Mortgage, Assignment of Rents, Security and Fixture Filing Agreement (Leasehold) (the "Security Instrument") in substantially the form attached hereto as Exhibit D from the Borrower to the Authority; and

WHEREAS, pursuant to that certain Assignment of Mortgage and Loan Documents, in substantially the form attached hereto as Exhibit E (the "Assignment"), the Authority will assign
(other than certain unassigned rights) its right in the Borrower Note and Security Instrument to the Funding Lender; and

WHEREAS, the Authority desires to authorize the execution and delivery of a Land Use Restriction Agreement expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued, by and among the Borrower, the Fiscal Agent and the Authority in substantially the form presented at this meeting and attached hereto as Exhibit F, which agreement evidences certain restrictions placed on the use and occupancy of the Project as required under the Act and the applicable provisions of the Internal Revenue Code (the "Restriction Agreement"); and

WHEREAS, the Authority desires to authorize the execution and delivery of a Fee Guaranty and Environmental Indemnity Agreement expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued from the Borrower and the individual indemnitors named therein to the Authority and Fiscal Agent relating to the Governmental Lender Note in substantially the form presented at this meeting and attached hereto as Exhibit G (the "Indemnity Agreement"); and

WHEREAS, the Authority desires to authorize the execution of such other documents deemed necessary and to be in acceptable form as determined by its Bond Counsel and counsel to the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PINELLS COUNTY, FLORIDA:

SECTION 1. RECITALS. That the foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

SECTION 2. DEFINITIONS. That in addition to the terms defined above, the words and terms referred to in Article I of the Funding Loan Agreement or in Article I of the Borrower Loan Agreement, unless a different meaning clearly appears from the context, shall have the same meanings in this Resolution.

SECTION 3. AUTHORIZATION OF THE GOVERNMENTAL LENDER NOTE. That, for the purpose of providing funds to make the Borrower Loan to the Borrower to finance a portion of the costs of the Project, there is hereby authorized by the Authority, a Tax-Exempt Obligation to be known as the "Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments)," in one or more series and in the aggregate principal amount of not exceeding EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS ($8,200,000).
SECTION 4. SECURITY FOR THE GOVERNMENTAL LENDER NOTE. The Governmental Lender Note will be a limited obligation of the Authority. The principal of, or redemption price and interest on, the Governmental Lender Note will be payable solely as provided in the Funding Loan Agreement. Neither the members of the Authority nor any person executing the Governmental Lender Note shall be liable personally on the Governmental Lender Note by reason of the issuance thereof. The Governmental Lender Note will not be a debt of the Authority, the County, the State of Florida (the "State") or any other political subdivision thereof, and neither the faith and credit nor the taxing power of the County, the State or any other political subdivision thereof will be pledged to the payment of the principal of, or redemption price and interest on, the Governmental Lender Note. The Authority has no taxing power.

SECTION 5. APPROVAL AND EXECUTION OF BORROWER LOAN AGREEMENT. The form of the Borrower Loan Agreement relating to the Borrower Loan presented at this meeting (and attached hereto as Exhibit A), expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued, by and between the Authority and the Borrower, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairman (or, in his absence, the Vice Chairman or any other member of the Authority in the absence of the Vice Chairman) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Borrower Loan Agreement in the form presented at this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

SECTION 6. APPOINTMENT OF FISCAL AGENT. U.S. Bank National Association, having its designated office in Fort Lauderdale, Florida, is hereby appointed Fiscal Agent, under the Funding Loan Agreement, the Restriction Agreement and Indemnity Agreement.

SECTION 7. APPROVAL AND EXECUTION OF THE FUNDING LOAN AGREEMENT. The form of the Funding Loan Agreement, expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued, by and among the Authority, the Funding Lender and the Fiscal Agent in substantially the form presented at this meeting (and attached hereto as Exhibit B) is hereby approved and authorized by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairman (or, in his absence, the Vice Chairman or any other member of the Authority in the absence of the Vice Chairman) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of
the Funding Loan Agreement in the form presented at this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

SECTION 8. DETAILS OF THE GOVERNMENTAL LENDER NOTE. The proceeds of the Governmental Lender Note, together with the moneys received by the Fiscal Agent from the Borrower or any subordinate lender or tax credit investor, shall be applied, the Governmental Lender Note shall mature in the year and in the amount, bear interest at such rate, and be subject to redemption, all as provided in the Funding Loan Agreement. The Authority hereby authorizes, pursuant to the provisions of the Funding Loan Agreement, the use of the proceeds of the Governmental Lender Note to make the Borrower Loan to the Borrower for the Borrower to pay a portion of the costs of the Project. The execution of the Funding Loan Agreement shall constitute approval of such terms as set forth in this Section 8.

SECTION 9. APPROVAL OF FORMS OF NOTE AND SECURITY INSTRUMENT. The form of Borrower Note given to the Authority and assigned to the Funding Lender and the form of Security Instrument in favor of the Authority and assigned to the Funding Lender, in substantially the forms presented at this meeting (and attached hereto as Exhibit C and Exhibit D, respectively), expected to be dated as of the date the Governmental Lender Note is issued, to evidence and secure the Borrower’s obligations under the Borrower Loan Agreement and the Authority’s obligations to the Funding Lender under the Funding Loan Agreement are hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate.

SECTION 10. APPROVAL OF ASSIGNMENT. The form of the Assignment in substantially the form presented at this meeting and attached hereto as Exhibit E, expected to be dated the date of issuance of the Governmental Lender Note, from the Authority to the Fiscal Agent in favor of the Funding Lender, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairman (or, in his absence, the Vice Chairman or any other member of the Authority in the absence of the Vice Chairman) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Assignment in the form presented at this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.
SECTION 11. APPROVAL AND EXECUTION OF THE LAND USE RESTRICTION AGREEMENT. The form of the Restriction Agreement in substantially the form presented at this meeting (and attached hereto as Exhibit F), expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued, by and among the Authority, the Fiscal Agent and the Borrower, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairman (or, in his absence, the Vice Chairman or any other member of the Authority in the absence of the Vice Chairman) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Restriction Agreement in the form presented at this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

SECTION 12. APPROVAL AND EXECUTION OF FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT. The Indemnity Agreement in substantially the form presented at this meeting (and attached hereto as Exhibit G), expected to be dated as of the first day of the month and year in which the Governmental Lender Note is issued, by and among the Authority, the Fiscal Agent, the Borrower and the other indemnitees named therein, is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairman (or, in his absence, the Vice Chairman or any other member of the Authority in the absence of the Vice Chairman) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Indemnity Agreement in the form presented at this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

SECTION 13. APPOINTMENT OF THE COMPLIANCE MONITOR. In order to reduce costs imposed on the Project and the Borrower, and to coordinate the compliance monitoring of the Project with the Florida Housing Finance Corporation, Seltzer Management Group, Inc. is hereby appointed to serve as compliance monitor on behalf of the Authority for the Project.

SECTION 14. NEGOTIATED PRIVATE SALE OF GOVERNMENTAL LENDER NOTE AUTHORIZED. Based on market conditions and the uniqueness of the program by which the Governmental Lender Note is funded and issued, the Authority hereby finds that it is
necessary and in the best interest of the Authority that the Governmental Lender Note be sold on a negotiated basis directly to the Funding Lender. The disclosure required by Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the delivery of the Bonds.

SECTION 15. AGREEMENT OF AUTHORITY. All covenants, stipulations, obligations and agreements contained in this Resolution, in the Borrower Loan Agreement, the Funding Loan Agreement and any other agreements to which the Authority is a party and which have been hereby approved by the Authority, shall be deemed to be the covenants, stipulations, obligations and agreements of the Authority and all such covenants, stipulations, obligations and agreements shall be binding upon the Authority.

SECTION 16. NO OTHER RIGHTS CONFERRED. Except as herein otherwise expressly provided, nothing in this Resolution or in the Borrower Loan Agreement or Funding Loan Agreement, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the Fiscal Agent, the Borrower and the Funding Lender, as the owner of the Governmental Lender Note issued under the provisions of this Resolution and the Funding Loan Agreement, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, the Borrower Loan Agreement, the Funding Loan Agreement or any other agreements to which the Authority is a party and which have been approved by the Authority, or any provision thereof; this Resolution, the Borrower Loan Agreement or the Funding Loan Agreement and all of its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Fiscal Agent, the Borrower and the Funding Lender, as the owner of the Governmental Lender Note issued under the provisions of this Resolution and the Funding Loan Agreement.

SECTION 17. APPROVAL OF CREDIT UNDERWRITING REPORT. The Credit Underwriting Report with respect to the Project delivered to the Authority by Seltzer Management Group, Inc., is hereby approved, with any open or unresolved issued constituting closing conditions which must be satisfied prior to closing to the Authority’s satisfaction (as evidenced by the execution and delivery of the financing documents by the authorized officers of the Authority).

SECTION 18. SEVERABILITY. In case any one or more of the provisions of this Resolution, or of the Borrower Loan Agreement, the Funding Loan Agreement or the Governmental Lender Note or any other agreements to which the Authority is a party and which have been approved by the Authority shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of the Funding Loan Agreement, the Borrower Loan Agreement or the Governmental Lender Note, but this Resolution, the Funding Loan Agreement, the Borrower Loan Agreement and
said Governmental Lender Note shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein.

SECTION 19. FURTHER ACTIONS. The Chairman, the Vice Chairman, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, and the Authority’s general counsel or Bond Counsel are hereby authorized and directed to do all acts and things required of them by the provisions of the Governmental Lender Note, the Borrower Loan Agreement, the Funding Loan Agreement, and the other documents herein approved and also to do all acts and things required of them by the provisions of this Resolution, including, but not limited to, the execution of such other documents that may be required for the better securing of the Governmental Lender Note or as a condition precedent for the issuance of the Governmental Lender Note.

SECTION 20. HEADINGS NOT PART OF THIS RESOLUTION. Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

[Remainder of page left intentionally blank]
SECTION 22. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED this ___ day of April, 2018.

HOUSING FINANCE AUTHORITY
OF PINELLAS COUNTY, FLORIDA

(SEAL)

ATTEST:

By: ______________________________
   Chairman

By: ______________________________
   Secretary/Treasurer
EXHIBIT A

FORM OF BORROWER LOAN AGREEMENT
EXHIBIT C

FORM OF BORROWER NOTE
EXHIBIT D

FORM OF SECURITY INSTRUMENT
EXHIBIT E

FORM OF ASSIGNMENT OF MORTGAGE AND LOAN DOCUMENTS
EXHIBIT G

FORM OF FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT
FUNDING LOAN AGREEMENT

Dated as of [April] 1, 2018

Among

CITIBANK, N.A.,
as Funding Lender

and

HOUSING FINANCE AUTHORITY OF PINELLS COUNTY (FLORIDA),
as Governmental Lender

and

U.S. BANK NATIONAL ASSOCIATION,
As Fiscal Agent

Relating to:

$[8,200,000]
Housing Finance Authority of Pinellas County (Florida)
Multifamily Housing Revenue Note, Series 2018
(Woodlawn Trail Apartments)
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FUNDING LOAN AGREEMENT

This Funding Loan Agreement, dated as of [April] 1, 2018 (this "Funding Loan Agreement"), is entered into by CITIBANK, N.A., (together with any successor hereunder, the "Funding Lender"), the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY (FLORIDA), a public body corporate and politic, organized and existing under the laws of the State of Florida (together with its successors and assigns, the "Governmental Lender") and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as fiscal agent (together with any successor fiscal agent hereunder, the "Fiscal Agent").

RECITALS

WHEREAS, in accordance with the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Section 2-386, Code of Ordinances of Pinellas County, Florida, a Resolution of the Governmental Lender adopted on April 5, 2017, and a Resolution of the Governmental Lender adopted on May 9, 2017 (the "Act"), the Governmental Lender is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition, rehabilitation and development of multifamily rental housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, the Act authorizes the Governmental Lender: (a) to make loans to provide financing for multifamily residential housing located within the jurisdiction of the Governmental Lender; (b) to issue its revenue bonds, notes or other evidence of indebtedness for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Governmental Lender; and (c) to pledge all or any part of the revenues and receipts to be received by the Governmental Lender from or in connection with such loans in order to secure the payment of the principal or prepayment amount of and interest on such bonds, debentures, notes or other evidence of indebtedness; and

WHEREAS, SP Trail LLC, a Florida limited liability company (the "Borrower"), has requested the Governmental Lender to enter into this Funding Loan Agreement under which the Funding Lender (i) will loan funds (the "Funding Loan") to or for the account of the Governmental Lender, and (ii) the Governmental Lender will apply the proceeds of the Funding Loan to make a loan (the "Borrower Loan") to the Borrower to finance the acquisition, construction and equipping of a multifamily rental housing development known as Woodlawn Trail Apartments, consisting of approximately 80 units located on an approximately 8.1 acre site at 826 Woodlawn Street in the City of Clearwater, Florida (the "Project"); and

WHEREAS, simultaneously with the delivery of this Funding Loan Agreement, the Governmental Lender and the Borrower will enter into a Borrower Loan Agreement of even date herewith (as it may be supplemented or amended, the "Borrower Loan Agreement"), whereby the Borrower agrees to make loan payments to the Governmental Lender in an amount which,
when added to other funds available under this Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Funding Loan and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Multifamily Note dated the Closing Date (the "Borrower Note") and the obligations of the Borrower under the Borrower Note will be secured by a lien on and security interest in the Project pursuant to a Multifamily Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith (the "Security Instrument"), to be made by the Borrower in favor of the Governmental Lender, as assigned to the Fiscal Agent and the Funding Lender as their interest may lie, to secure the performance by the Governmental Lender of its obligations under the Funding Loan; and

WHEREAS, the Governmental Lender has executed and delivered to the Funding Lender its Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) (the "Governmental Lender Note"), dated as of the Closing Date and evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in this Funding Loan Agreement, all things necessary to make this Funding Loan Agreement the valid, binding and legal limited obligation of the Governmental Lender, have been done and performed and the execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Lender Note, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I.
DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Definitions. For all purposes of this Funding Loan Agreement, except as otherwise expressly provided or unless the context otherwise clearly requires:

Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Borrower Loan Agreement.

The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. The terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants."

All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.
All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to "Approved Accounting Method" refer to such principles as they exist at the date of application thereof.

All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

References to the Governmental Lender Note or the Funding Loan as "tax exempt" or to the "tax exempt status" of the Governmental Lender Note or the Funding Loan are to the exclusion of interest on the Governmental Lender Note (other than any portion of the Governmental Lender Note held by a "substantial user" of the Project or a "related person" within the meaning of Section 147 of the Code) from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

The following terms have the meanings set forth below:

"Act" shall have the meaning assigned to such term in the recitals above.

"Additional Borrower Payments" shall have the meaning given such term in the Borrower Loan Agreement.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

"Approved Transferee" means (1) a "qualified institutional buyer" ("QIB") as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the "Securities Act") that is a financial institution or commercial bank having capital and surplus of $5,000,000,000 or more, (2) an "affiliate of the Funding Lender, or (3) a trust or custodial arrangement established by the Funding Lender or one of its affiliates the beneficial interests in which will be owned only by QIBs.

"Authorized Amount" shall mean $[8,200,000], the maximum principal amount of the Funding Loan under this Funding Loan Agreement.

"Authorized Governmental Lender Representative" shall mean the Chairman, Vice Chairman or Executive Director of the Governmental Lender, or such other person at the time designated to act on behalf of the Governmental Lender as evidenced by a written certificate furnished to the Funding Lender, the Fiscal Agent, the Servicer (if any) and the Borrower containing the specimen signature of such person and signed on behalf of the Governmental
Lender by an Authorized Governmental Lender Representative. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Governmental Lender Representative.

"Borrower" shall mean SP Trail LLC, a Florida limited liability company.

"Borrower Equity Account" means the account by that name created and established in the Project Fund under this Funding Loan Agreement.

"Borrower Loan" shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to the Borrower Loan Agreement in the aggregate principal amount of the Borrower Loan Amount, as evidenced by the Borrower Note.

"Borrower Loan Agreement" shall mean the Borrower Loan Agreement, of even date herewith, between the Governmental Lender and the Borrower, as supplemented, amended or replaced from time to time in accordance with its terms.

"Borrower Loan Agreement Default" shall mean any event of default set forth in 8.1 of the Borrower Loan Agreement. A Borrower Loan Agreement Default shall "exist" if a Borrower Loan Agreement Default shall have occurred and be continuing beyond any applicable cure period.

"Borrower Loan Amount" shall mean the amount of $[8,200,000].

"Borrower Loan Documents" shall have the meaning given such term in the Borrower Loan Agreement.

"Borrower Note" shall mean the "Borrower Note" as defined in the recitals above.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which the offices of the Fiscal Agent in Fort Lauderdale, Florida or federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

"Closing Costs" means the costs relating to the issuance of the Governmental Lender Note.

"Closing Date" shall mean __________ __, 2018, the date that Funding Loan proceeds are made available for disbursement or deposit hereunder.

"Code" shall mean the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Compliance Monitor" means Seltzer Management Group, Inc.
"Compliance Monitoring Agreement" means the Compliance Monitoring Agreement dated as of __________ __, 2018 between the Compliance Monitor and the Borrower.

"Conditions to Conversion" shall have the meaning given such term in the Construction Funding Agreement.

"Construction Funding Agreement” means that certain Construction Funding Agreement of even date herewith, between the Funding Lender, as agent for the Governmental Lender, and Borrower, pursuant to which the Borrower Loan will be advanced by the Funding Lender (or the Servicer on its behalf), as agent of the Governmental Lender, to the Fiscal Agent for disbursement to the Borrower and setting forth certain provisions relating to disbursement of the Borrower Loan during construction, insurance and other matters, as such agreement may be amended, modified, supplemented and replaced from time to time.

"Contingency Draw-Down Agreement” means the Contingency Draw-Down Agreement of even date herewith among the Funding Lender, the Fiscal Agent and the Borrower relating to possible conversion of the Funding Loan from a draw down loan to a fully funded loan.

"Control" shall mean, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

"County" shall mean Pinellas County, Florida.

"County Authorization" has the meaning set forth in the recitals above.

"Default" shall mean the occurrence of an event, which, under any Funding Loan Document, would, but for the giving of notice or passage of time, or both, be an event of default under the applicable Funding Loan Document or a Borrower Loan Agreement Default.

"Draw-Down Notice" shall mean a notice described in Section 1.01 of the Contingency Draw-Down Agreement regarding the conversion of the Funding Loan from a draw down loan to a fully funded loan.

"Equity Investor” has the meaning given to that term in the Borrower Loan Agreement.

"Event of Default" shall have the meaning ascribed thereto in Section 9.1 hereof.

"Expense Fund" means the fund by that name created and established under this Funding Loan Agreement.

"Fiscal Agent” shall mean U.S. Bank National Association, as fiscal agent hereunder, and any successor fiscal agent or co-fiscal agent appointed under this Funding Loan Agreement.
"Fiscal Agent’s Fees” shall mean the Fiscal Agent’s initial acceptance fee of $________ plus fees and expenses of its counsel in conjunction with the issuance of the Governmental Lender Note and the ongoing compensation and expenses payable to the Fiscal Agent as follows:

(a) the annual administration fees of the Fiscal Agent, for the ordinary services of the Fiscal Agent rendered under this Funding Loan Agreement during each twelve-month period shall be $________ per annum payable in semiannual installments of $________ in advance on the Closing Date and each [April] 1 and [October] 1 thereafter;

(b) the reasonable fees and charges of the Fiscal Agent for necessary extraordinary services rendered by it and/or reimbursement for extraordinary expenses incurred by it under this Funding Loan Agreement as and when the same become due, including reasonable fees and expenses of legal counsel and internal default administrators (including fees prior to litigation, at trial or for appellate proceedings); provided, however, that the Fiscal Agent shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Fiscal Agent shall have been made; and

(c) for purposes of the Borrower Loan Agreement, indemnification of the Fiscal Agent by the Borrower.

"Fitch” shall mean Fitch, Inc.

"Funding Lender” shall mean Citibank N.A., a national banking association, and any successor under this Funding Loan Agreement and the Borrower Loan Documents.

"Funding Loan Agreement” shall mean this Funding Loan Agreement, of even date herewith, by and among the Funding Lender, the Governmental Lender and the Fiscal Agent, as it may from time to time be supplemented, modified or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

"Funding Loan Documents” shall mean (i) this Funding Loan Agreement, (ii) the Borrower Loan Agreement, (iii) the Regulatory Agreement, (iv) the Tax Agreement, (v) the Borrower Loan Documents, (vi) all other documents evidencing, securing, governing or otherwise pertaining to the Funding Loan, and (vii) all amendments, modifications, renewals and substitutions of any of the foregoing.

"Funding Loan Payment Fund” means the fund by that name created and established under this Funding Loan Agreement.

"Funding Loan Proceeds Account” means the account by that name created and established in the Project Fund under this Funding Loan Agreement.

"Governmental Lender” means the Housing Finance Authority of Pinellas County (Florida).
"Governmental Lender Note" means the "Governmental Lender Note" as described in the recitals of this Funding Loan Agreement.

"Governmental Lender Closing Costs" means the fees, costs and expenses incurred in connection with the closing of the Funding Loan and issuance of the Governmental Lender Note, including, without limitation, the Governmental Lender’s one (1) time initial issuance fee in the amount of $8,200.00.

"Governmental Lender Fee" means, collectively, the Governmental Lender’s (i) one (1) time initial issuance fee payable by the Fiscal Agent to the Governmental Lender on or before the Closing Date in the amount of $8,200.00, and (ii) the annual fee of the Governmental Lender, payable by the Borrower to the Fiscal Agent in the amount of 25 basis points (.25%) of the original principal amount of the Funding Loan payable in semiannual installments in arrears on each [April] 1 and [October] 1, commencing [October] 1, 2018.

"Highest Rating Category" shall mean, with respect to a Permitted Investment, that the Permitted Investment is rated by S&P or Moody’s in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax exempt municipal debt established by S&P is "A 1+" for debt with a term of one year or less and "AAA" for a term greater than one year, with corresponding ratings by Moody’s of "MIG 1" (for fixed rate) or "VMIG 1" (for variable rate) for three months or less and "Aaa" for greater than three months. If at any time (i) both S&P and Moody’s rate a Permitted Investment and (ii) one of those ratings is below the Highest Rating Category, then such Permitted Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, a Permitted Investment rated "AAA" by S&P and "Aa3" by Moody’s is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Permitted Investment will be deemed to be rated below the Highest Rating Category. For example, a Permitted Investment rated "AAA" by S&P and "A1" by Moody’s is not rated in the Highest Rating Category.

"Maturity Date" shall mean November 1, 2050.

"Maximum Rate" shall mean the lesser of (i) 12% per annum and (ii) the maximum interest rate that may be paid on the Funding Loan under State law.

"Minimum Beneficial Ownership Amount" shall mean an amount no less than fifteen percent (15%) of the outstanding principal amount of the Funding Loan.

"Moody’s" shall mean Moody’s Investors Service, Inc., or its successor.

"Negative Arbitrage Account" means the Negative Arbitrage Account of the Project Fund established under Section 7.3, as otherwise described in the Contingency Draw-Down Agreement.
"Negative Arbitrage Deposit" has the meaning set forth in the Contingency Draw-Down Agreement.

"Noteowner" or "owner of the Governmental Lender Note" means the owner of the Governmental Lender Note as shown on the registration books of the Governmental Lender maintained by the Fiscal Agent pursuant to Section 2.5.

"Opinion of Counsel" shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Funding Lender and the Governmental Lender with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required to address the exclusion of interest on the Governmental Lender Note from gross income for purposes of federal income taxation, such opinion shall be provided by Tax Counsel.

"Permanent Period Amount" shall have the meaning provided in the Construction Funding Agreement.

"Permitted Investments" shall mean, to the extent authorized by law for investment of any moneys held under this Funding Loan Agreement:

(a) Direct obligations of the United States of America including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America (“Government Obligations”).

(b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Demand deposits or time deposits with, or certificates of deposit issued by, Fiscal Agent or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than $50,000,000 and maturing in less than 365 days; provided that the Fiscal Agent or such other institution has been rated at least “VMIG-1”/”A-1+” by Moody’s/S&P which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency.

(d) Bonds (including tax exempt bonds), bills, notes or other obligations of or secured by Fannie Mae, Freddie Mac, the Federal Home Loan Bank or the Federal Farm Credit Bank.

(e) Money market funds rated AAA by S&P which are registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, as amended, which may be offered and/or administered by the Fiscal Agent or its affiliates.
(f) Collateralized Investment Agreements or Repurchase Agreements with financial institutions rated in the “A” category or higher without regard to qualifiers, by at least one Rating Agency. The agreement must be continually collateralized with obligations specified in paragraphs (a), (b) and/or (d) above, eligible for wire through the Federal Reserve Bank System or the DTC/PTC as applicable, and at a level of at least 103% of the amount on deposit and valued no less than daily. The collateral must be held by a third party custodian and be free and clear of all liens and claims of third parties. Securities must be valued daily, marked-to-market at current market price plus accrued interest. If the market value of the securities is found to be below the required level, the provider must restore the market value of the securities to the required level within one (1) business day. Permitted collateral must be delivered to and held in a segregated account by the Fiscal Agent or a custodian (the “Collateral Agent”), and the Collateral Agent cannot be the provider. The collateral must be delivered to the Collateral Agent before/simultaneous with payment (perfection by possession of certificated securities). Acceptable collateral must be free and clear of all liens and claims of third parties and shall be registered in the name of the Collateral Agent for the benefit of the Governmental Lender and Fiscal Agent. The agreement shall state that the Collateral Agent has a valid and perfected first priority security interest in the securities, any substituted securities and all proceeds thereof.

(g) Any other investment authorized by the laws of the State, if such investment is approved in advance in writing by the Funding Lender in its sole discretion.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment or any agreement with a maturity profile greater than the date(s) on which funds representing the corpus of the investment may be needed under the Funding Loan Documents. This exception (1) shall not apply to Permitted Investments listed in paragraph (g).

(2) Any obligation bearing interest at an inverse floating rate.

(3) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(4) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Pledged Revenues" shall mean the amounts pledged under this Funding Loan Agreement to the payment of the principal of, prepayment premium, if any, and interest on the Funding Loan and the Governmental Lender Note, consisting of the following: (i) all income,
revenues, proceeds and other amounts to which the Governmental Lender is entitled (other than amounts received by the Governmental Lender with respect to the Unassigned Rights) derived from or in connection with the Project and the Funding Loan Documents, including all Borrower Loan Payments due under the Borrower Loan Agreement and the Borrower Note, payments with respect to the Borrower Loan Payments and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents and all receipts credited under the provisions of this Funding Loan Agreement against said amounts payable, and (ii) moneys held in the funds and accounts established under this Funding Loan Agreement, together with investment earnings thereon (except any amounts on deposit in the Expense Fund and Rebate Fund).

"Prepayment Premium" shall mean (i) any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of the Borrower Note (including any Prepayment Premium as set forth in the Borrower Note) and (ii) any premium payable on the Governmental Lender Note pursuant to this Funding Loan Agreement.

"Project" shall have the meaning given to that term in the Borrower Loan Agreement.

"Project Fund" means the fund by that name created and established under this Funding Loan Agreement.

"Rating Agency" shall mean any one and each of S&P, Moody’s and Fitch then rating the Permitted Investments or any other nationally recognized statistical rating agency then rating the Permitted Investments, which has been approved by the Funding Lender.

"Rebate Fund" means the fund by that name created under this Funding Loan Agreement.

"Regulations" shall mean with respect to the Code, the relevant U.S. Treasury regulations and proposed regulations thereunder or any relevant successor provision to such regulations and proposed regulations.

"Regulatory Agreement" shall mean that certain Land Use Restriction Agreement, dated as of the date hereof, by and among the Governmental Lender, the Borrower and the Fiscal Agent, as hereafter amended or modified.

"Remaining Funding Loan Proceeds Account" means the Remaining Funding Loan Proceeds Account of the Project Fund established under Section 7.3, as otherwise described in the Contingency Draw-Down Agreement.

"Required Transferee Representations" shall mean the representations in substantially the form attached to this Funding Loan Agreement as Exhibit B.

"Resolution" shall mean the resolution of the Governmental Lender authorizing the Funding Loan and the execution and delivery of the Funding Loan Documents to which the Governmental Lender is a party.
"Responsible Officer" means any officer within the Corporate Trust Department (or any successor group) of the Fiscal Agent, including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Fiscal Agent customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, who is responsible for the administration of this Funding Loan Agreement.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security" shall mean the security for the performance by the Governmental Lender of its obligations under the Governmental Lender Note and this Funding Loan Agreement as more fully set forth in Article IV hereof.

"Security Instrument" shall mean the Multifamily Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (as amended, restated and/or supplemented from time to time) dated as of [April] 1, 2018, made by the Borrower in favor of the Governmental Lender, as assigned to the Fiscal Agent and the Funding Lender as their interest may lie, to secure the performance by the Governmental Lender of its obligations under the Funding Loan.

"Servicer" shall mean any Servicer appointed by the Funding Lender to perform certain servicing functions with respect to the Funding Loan and on the Borrower Loan pursuant to a separate servicing agreement to be entered into between the Funding Lender and the Servicer. Initially the Servicer shall be the Funding Lender pursuant to this Funding Loan Agreement.

"Servicing Agreement" shall mean any servicing agreement entered into between the Funding Lender and a Servicer with respect to the servicing of the Funding Loan and/or the Borrower Loan.


"State" shall mean the State of Florida.

"Tax Agreement" means, collectively, (a) the Certificate as to Arbitrage and Certain Other Tax Matters dated the Closing Date and executed by the Governmental Lender and the Borrower, and (b) the Borrower Proceeds Certificate dated the Closing Date and executed and delivered by the Borrower, and (c) the Arbitrage Rebate Agreement by and among the Governmental Lender, the Borrower and the Fiscal Agent, in each case including all exhibits and other attachments thereto and in each case as may be amended from time to time.

"Tax Counsel" shall mean Bryant Miller Olive P.A. or any other attorney or firm of attorneys designated by the Governmental Lender and approved by the Funding Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.
"Tax Counsel Approving Opinion" shall mean an opinion of Tax Counsel substantially to the effect that the Governmental Lender Note constitutes a valid and binding obligation of the Governmental Lender and that, under existing statutes, regulations published rulings and judicial decisions, the interest on the Governmental Lender Note is excludable from gross income for federal income tax purposes (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

"Tax Counsel No Adverse Effect Opinion" shall mean an opinion of Tax Counsel to the effect that the taking of, or failure to take, the action specified therein will not impair the exclusion of interest on the Governmental Lender Note from gross income for purposes of federal income taxation (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

"UCC" shall mean the Uniform Commercial Code as in effect in the State.

"Unassigned Rights" shall mean the Governmental Lender’s rights to reimbursement and payment of its fees, costs and expenses and the Rebate Amount under Section 2.5 of the Borrower Loan Agreement, its rights of access under Section 5.17 thereof, its rights to indemnification under Section 5.15 thereof, its rights to attorneys’ fees under Sections 5.11 and 5.14 thereof, its rights to receive notices, reports and other statements and its rights to consent to certain matters, as provided in this Funding Loan Agreement and the Borrower Loan Agreement.

"Written Certificate," "Written Certification," "Written Consent," "Written Direction," "Written Notice," "Written Order," "Written Registration," "Written Request," and "Written Requisition" shall mean a written certificate, direction, notice, order or requisition signed by an Authorized Borrower Representative, an Authorized Governmental Lender Representative, a Responsible Officer of the Fiscal Agent or an authorized representative of the Funding Lender and delivered to the Funding Lender, the Servicer, the Fiscal Agent or such other Person as required under the Funding Loan Documents.

"Yield" shall mean yield as defined in Section 148(h) of the Code and any regulations promulgated thereunder.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.3. Date of Funding Loan Agreement. The date of this Funding Loan Agreement is intended as and for a date for the convenient identification of this Funding Loan Agreement and is not intended to indicate that this Funding Loan Agreement was executed and delivered on said date.

Section 1.4. Designation of Time for Performance. Except as otherwise expressly provided herein, any reference in this Funding Loan Agreement to the time of day shall mean the
time of day in the city where the Funding Lender maintains its place of business for the performance of its obligations under this Funding Loan Agreement.

Section 1.5. Interpretation. The parties hereto acknowledge that each of them and their respective counsel have participated in the drafting and revision of this Funding Loan Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Funding Loan Agreement or any amendment or supplement or exhibit hereto.

ARTICLE II.
TERMS; GOVERNMENTAL LENDER NOTE

Section 2.1. Terms.

(a) Principal Amount. The total principal amount of the Funding Loan is hereby expressly limited to the Authorized Amount.

(b) Draw-Down Funding. The Funding Loan is originated on a draw-down basis. The proceeds of the Funding Loan shall be advanced by the Funding Lender directly to the Fiscal Agent for the account of the Governmental Lender for disbursement to the Borrower as and when needed to make each advance in accordance with the disbursement provisions of the Borrower Loan Agreement and the Construction Funding Agreement. Subject to the terms and conditions of the Borrower Loan Agreement and this Funding Loan Agreement, the Funding Lender agrees to advance, on behalf of the Governmental Lender, to the Fiscal Agent for disbursement to the Borrower under the Borrower Loan Agreement the amount of the initial advance equal to $[__________] on the Closing Date. Notwithstanding anything in this Funding Loan Agreement to the contrary, no additional amounts of the Funding Loan may be drawn down and funded hereunder after December 31, 2021; provided, however, that upon the delivery of a Tax Counsel No Adverse Effect Opinion to the Governmental Lender, the Fiscal Agent and the Funding Lender such date may be changed to a later date as specified in such Tax Counsel No Adverse Effect Opinion. The Governmental Lender has reviewed and approved the form of Contingency Draw-Down Agreement and consents to the terms thereof and agrees to take all actions reasonably required of the Governmental Lender in connection with the conversion of the Funding Loan to a fully drawn loan pursuant to the provisions of the Contingency Draw-Down Agreement in the event a Draw-Down Notice is filed by the Funding Lender or the Borrower.

(c) Origination Date; Maturity. The Funding Loan shall be originated on the Closing Date and shall mature on the Maturity Date at which time the entire principal amount of the Funding Loan, to the extent advanced by the Funding Lender and not previously paid, and all accrued and unpaid interest, shall be due and payable.

(d) Principal. The outstanding principal amount of the Governmental Lender Note and of the Funding Loan as of any given date shall be the total principal amount thereof funded by the Funding Lender to the Fiscal Agent to or for the account of the Governmental Lender to fund corresponding advances with respect to the Borrower Note under the Borrower
Loan Agreement and the Construction Funding Agreement as proceeds of the Borrower Loan, less any payments of principal of a Governmental Lender Note previously received upon payment of corresponding principal amounts under the Borrower Note, including regularly scheduled principal payments and voluntary and mandatory prepayments. The principal amount of the Governmental Lender Note and interest thereon shall be payable on the basis specified in this paragraph (d) and in paragraphs (e) and (f) of this Section 2.1.

The Fiscal Agent shall keep a record of all principal advances and principal repayments made under the Governmental Lender Note and shall upon written request, made not more frequently than monthly, provide the Governmental Lender and the Funding Lender with a statement of the outstanding principal balance of the Governmental Lender Note and the Funding Loan.

(e) Interest. Interest shall be paid on the outstanding principal amount of Governmental Lender Note at the rate or rates set forth in the Borrower Note and otherwise as set forth in the Borrower Loan Agreement.

(f) Corresponding Payments. The payment or prepayment of principal, interest and premium, if any, due on the Funding Loan and Governmental Lender Note shall be identical with and shall be made on the same dates, terms and conditions, as the principal, interest, premiums, late payment fees and other amounts due on the Borrower Note. The Governmental Lender Note shall be payable from payments on the Borrower Note. Any payment or prepayment made by the Borrower of principal, interest, premium, if any, due on the Borrower Note shall be deemed to be like payments or prepayments of principal, interest and premium, if any, due on the Funding Loan and the Governmental Lender Note.

(g) Usury. The Governmental Lender intends to conform strictly to the usury laws applicable to this Funding Loan Agreement and the Governmental Lender Note and all agreements made in the Governmental Lender Note, this Funding Loan Agreement and the Funding Loan Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid as interest or the amounts paid for the use of money advanced or the be advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Funding Lender shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Funding Lender, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Borrower. This paragraph shall control every other provision of the
Governmental Lender Note, this Funding Loan Agreement and all other Funding Loan Documents.

In determining whether the amount of interest charged and paid might otherwise exceed the limit prescribed by law, the Governmental Lender intends and agrees that (i) interest shall be computed upon the assumption that payments under the Borrower Loan Agreement and other Funding Loan Documents will be paid according to the agreed terms, and (ii) any sums of money that are taken into account in the calculation of interest, even though paid at one time, shall be spread over the actual term of the Funding Loan.

Section 2.2. Form of Governmental Lender Note. As evidence of its obligation to repay the Funding Loan, simultaneously with the delivery of this Funding Loan Agreement to the Funding Lender, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Note. The Governmental Lender Note shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement. In connection with Conversion, the Funding Lender shall have the right to exchange the then existing Governmental Lender Note on or after the Conversion Date for a new Governmental Lender Note with a dated date of the Conversion Date and in a stated principal amount equal to the then outstanding principal amount of the Governmental Lender Note, which amount will equal the Permanent Period Amount of the Borrower Loan.

Section 2.3. Execution and Delivery of Governmental Lender Note. The Governmental Lender Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of Authorized Governmental Lender Representative and attested by the manual or facsimile signature of an Authorized Representative of the Governmental Lender under the official seal, or a facsimile of the official seal, of the Governmental Lender. The manual or facsimile signatures of individuals who were the proper officers of the Governmental Lender at the time of execution shall bind the Governmental Lender, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of the Governmental Lender Note or shall not have held such offices at the date of the Governmental Lender Note.

Section 2.4. Authentication. The Governmental Lender Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Funding Loan Agreement unless a certificate of authentication on such Governmental Lender Note, substantially in the form set forth in Exhibit A hereto, shall have been manually executed by the Fiscal Agent. The Fiscal Agent shall authenticate the Governmental Lender Note by execution of the certificate of authentication on the Governmental Lender Note, and the certificate of
authentication so executed on the Governmental Lender Note shall be conclusive evidence that it has been authenticated and delivered under this Funding Loan Agreement.

Section 2.5. Registration and Transfer of Governmental Lender Note; Required Transferee Representations; Participations; Sale and Assignment.

(a) On the Closing Date the Funding Lender shall deliver to the Governmental Lender and the Fiscal Agent the Required Transferee Representations in substantially the form attached hereto as Exhibit B.

(b) The Funding Lender shall have the right to sell to Approved Transferees that execute and deliver the Required Transferee Representations to the Funding Lender, the Fiscal Agent and the Governmental Lender (i) the Governmental Lender Note and the Funding Loan or (ii) any portion of or a participation interest in the Governmental Lender Note and the Funding Loan, to the extent permitted by paragraph (c) of this Section 2.5, provided that such sale shall be only, provided that no Required Transferee Representations shall be required with respect to the transfer of the Governmental Lender Note to an affiliate of the Funding Lender.

(c) The Fiscal Agent, on behalf of the Governmental Lender, shall provide for the registration of the Governmental Lender Note and the registration of transfers thereof. In that regard, the Fiscal Agent shall maintain a register which shall contain a record of the Governmental Lender Note at any time authenticated hereunder, together with the name and address of the holder thereof, the date of authentication, the date of transfer or payment, and such other matters as may be deemed appropriate by the Fiscal Agent or the Governmental Lender. The Governmental Lender, the Fiscal Agent and any agent of the Governmental Lender or the Fiscal Agent shall treat the person in whose name the Governmental Lender Note is registered as of the Record Date as the owner of such Governmental Lender Note for the purpose of receiving payment of the Governmental Lender Note and for all other purposes whatsoever whether or not the Governmental Lender Note payments are overdue, and, to the extent permitted by law, neither the Governmental Lender, the Fiscal Agent nor any such agent shall be affected by notice to the contrary.

(d) The transfer of the Governmental Lender Note and any interest therein is subject to registration by the holder thereof only upon compliance with the conditions for registration of transfer imposed on the holder under this Section 2.5 hereof. Upon surrender of the Governmental Lender Note at the designated corporate trust office of the Fiscal Agent, the Governmental Lender shall execute (if necessary), and the Fiscal Agent shall authenticate and deliver, in the name of the designated transferee or transferees (but not registered in blank or to "bearer" or a similar designation), a new Governmental Lender Note or participation interest therein of a like principal amount, and having the same stated maturity, tenor and interest rate. In connection with Conversion of the Funding Loan, the Funding Lender shall have the right to exchange the then existing Governmental Lender Note on or after the Conversion Date for a new Governmental Lender Note with a dated date of the Conversion Date and in a principal amount
equal to the then outstanding principal amount of the applicable Governmental Lender Note, which amount represents the Permanent Period Amount of the Borrower Loan.

(e) A Governmental Lender Note delivered in exchange for or upon transfer of a Governmental Lender Note shall be a valid limited obligation of the Governmental Lender evidencing the same debt, and entitled to the same benefits under this Funding Loan Agreement, as Governmental Lender Note surrendered for such exchange or transfer.

(f) Registration of the transfer of the Governmental Lender Note may be made on the Fiscal Agent’s register by the holder thereof in person or by such holder’s or holders’ attorney duly authorized in writing. The Governmental Lender Note presented or surrendered for registration of transfer or exchange shall (i) be accompanied by evidence of compliance with the provisions of this Section 2.5, (ii) be duly endorsed or be accompanied by a written instrument or instruments of transfer, in a form satisfactory to the Fiscal Agent, duly executed and with guaranty of signature of the holder thereof or his, her or its attorney duly authorized in writing and (iii) include written instructions as to the details of the transfer of the Governmental Lender Note or interest therein. Notwithstanding the other provisions of this Section 2.5, no beneficial ownership interest in the Governmental Lender Note and Funding Loan shall be sold in an amount that is less than the Minimum Beneficial Ownership Amount.

(g) No service charge shall be made for any sale or assignment of any portion of the Governmental Lender Note, but the Governmental Lender and Fiscal Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such sale or assignment. Such sums shall be paid in every instance by the purchaser or assignee of the Funding Loan or portion thereof.

(h) The parties agree that no rating shall be sought from a Rating Agency with respect to the Funding Loan or the Governmental Lender Note.

ARTICLE III.
PREPAYMENT

Section 3.1. Prepayment of the Governmental Lender Note from Prepayment under the Borrower Note. The Governmental Lender Note is subject to voluntary and mandatory prepayment as follows:

(a) The Governmental Lender Note shall be subject to voluntary prepayment in full or in part by the Governmental Lender, from funds of the Governmental Lender received by the Governmental Lender or Fiscal Agent to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the principal balance of the Borrower Note to be prepaid, plus interest thereon to the date of prepayment and the amount of any Prepayment Premium payable under the Borrower Note, plus any Additional Borrower Payments due and payable under the Borrower Loan Agreement through the date of prepayment.
The Borrower shall not have the right to voluntarily prepay all or any portion of the Borrower Note, thereby causing the Governmental Lender Note to be prepaid, except as specifically permitted in the Borrower Note, without the prior written consent of Funding Lender, which may be withheld in Funding Lender’s sole and absolute discretion.

(b) The Governmental Lender Note shall be subject to mandatory prepayment in whole or in part upon prepayment of the Borrower Note at the direction of the Funding Lender in accordance with the terms of the Borrower Note at a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus any other amounts payable under the Borrower Note or the Borrower Loan Agreement including any Additional Borrower Payments.

Section 3.2. Notice of Prepayment. Notice of prepayment of the Governmental Lender Note shall be deemed given to the extent that notice of prepayment of the Borrower Note is timely and properly given to Funding Lender and Fiscal Agent in accordance with the terms of the Borrower Note and the Borrower Loan Agreement, and no separate notice of prepayment of the Governmental Lender Note is required to be given.

ARTICLE IV.
SECURITY

Section 4.1. Security for the Funding Loan. To secure the payment of the Funding Loan and the Governmental Lender Note, to declare the terms and conditions on which the Funding Loan and the Governmental Lender Note are secured, and in consideration of the terms and provisions of this Funding Loan Agreement and of the funding of the Funding Loan by the Funding Lender, the Governmental Lender does hereby grant, bargain, sell, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Fiscal Agent and the Funding Lender as their interest may lie (except as limited herein), a lien on and security interest in the following described property (excepting, however, in each case, the Unassigned Rights) (said property, rights and privileges being herein collectively called, the "Security"): 

(a) All right, title and interest of the Governmental Lender in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the Governmental Lender from the Borrower relating to the Project and including, without limitation, all Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments (except to the extent such Additional Borrower Payments are payable to the Governmental Lender, the Fiscal Agent, or the United States Treasury) derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under this Funding Loan Agreement shall not impair or diminish the obligations of the Governmental Lender under the provisions of the Borrower Loan Agreement;

(b) All right, title and interest of the Governmental Lender in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan
Documents, and all other payments, revenues and receipts derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Funding Loan Documents;

(c) Any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under this Funding Loan Agreement and any amounts held at any time in the Remaining Funding Loan Proceeds Account, any Negative Arbitrage Deposit and any other amounts held under the Contingency Draw-Down Agreement, subject to the provisions of this Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

(d) Any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Funding Loan Agreement as additional security by the Governmental Lender or anyone on its part or with its consent, or which pursuant to any of the provisions hereof or of the Borrower Loan Agreement may come into the possession or control of the Fiscal Agent or the Funding Lender or a receiver appointed pursuant to this Funding Loan Agreement; and the Fiscal Agent or the Funding Lender is hereby authorized to receive any and all such property as and for additional security for the Funding Loan and Governmental Lender Note and to hold and apply all such property subject to the terms hereof.

The pledge and assignment of and the security interest granted in the Security pursuant to this Section 4.1 for the payment of the principal of, premium, if any, and interest on the Governmental Lender Note, in accordance with its terms and provisions, and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Governmental Lender Note by the Governmental Lender. The Security so pledged and then or thereafter received by the Fiscal Agent or the Funding Lender shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

Section 4.2. Delivery of Security. To provide security for the payment of the Funding Loan and the Governmental Lender Note, the Governmental Lender has pledged and assigned to secure payment of the Funding Loan and the Governmental Lender Note its right, title and interest in the Security to the Fiscal Agent and the Funding Lender as their interest may lie. In connection with such pledge, assignment, transfer and conveyance, the Governmental Lender shall deliver to the Fiscal Agent the following documents or instruments promptly following their execution, or promptly when available, as applicable, and, to the extent applicable, their recording or filing;

(a) The Borrower Note endorsed without recourse to the Fiscal Agent and the Funding Lender as their interest may lie by the Governmental Lender;
(b) An original executed Borrower Loan Agreement, Regulatory Agreement and Tax Agreement;

(c) An original executed Security Instrument and all other Borrower Loan Documents existing at the time of delivery of the Borrower Note and an assignment for security of the Security Instrument from the Governmental Lender to the Fiscal Agent and the Funding Lender as their interest may lie, in recordable form;

(d) All Borrower Loan Documents existing at the time of delivery of the Borrower Note;

(e) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Fiscal Agent's and Funding Lender's status as an assignee of the Governmental Lender's security interest in any personal property forming part of the Project, in form suitable for filing as determined by the Funding Lender; and

(f) Uniform Commercial Code financing statements giving notice of the pledge by the Governmental Lender of the Security pledged under this Funding Loan Agreement.

The Governmental Lender shall deliver and deposit with the Fiscal Agent or Funding Lender such additional documents, financing statements, and instruments as the Fiscal Agent or the Funding Lender may reasonably require from time to time for the better perfecting and assuring to the Fiscal Agent or the Funding Lender of its lien and security interest in and to the Security including, at the request of the Funding Lender, any amounts held under the Contingency Draw-Down Agreement, at the expense of the Borrower.

ARTICLE V.
LIMITED LIABILITY

Section 5.1. Source of Payment of Funding Loan and Other Obligations. The Funding Loan and the Governmental Lender Note are limited obligations of the Governmental Lender, payable solely from the Pledged Revenues and other funds and moneys and Security pledged and assigned hereunder. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Funding Loan or the Governmental Lender Note or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein, and none of the Funding Loan or the Governmental Lender Note or any of the Governmental Lender’s agreements or obligations with respect to the Funding Loan, the Governmental Lender Note, or hereunder, shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the
foregoing within the meaning of any constitutional or statutory provision whatsoever. The Governmental Lender has no taxing power.

Section 5.2. Exempt from Individual Liability. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future officer, director, employee or agent of the Governmental Lender in his individual capacity, and neither the officers, directors, employees or agents of the Governmental Lender executing the Governmental Lender Note or this Funding Loan Agreement shall be liable personally on the Governmental Lender Note or under this Funding Loan Agreement or be subject to any personal liability or accountability by reason of the issuance of the Governmental Lender Note or the execution of this Funding Loan Agreement.

ARTICLE VI.
CLOSING CONDITIONS; APPLICATION OF FUNDS

Section 6.1. Conditions Precedent to Closing. Closing of the Funding Loan on the Closing Date shall be conditioned upon satisfaction or waiver by the Funding Lender in its sole discretion of each of the conditions precedent to closing set forth in this Funding Loan Agreement, including but not limited to the following:

(a) Receipt by the Funding Lender of the original Governmental Lender Note;

(b) Receipt by the Funding Lender of the original executed Borrower Note, endorsed, to the Funding Lender by the Governmental Lender;

(c) Receipt by the Funding Lender of executed counterpart copies of this Funding Loan Agreement, the Borrower Loan Agreement, the Construction Funding Agreement, the Regulatory Agreement, the Tax Agreement and the Security Instrument;

(d) A certified copy of the Resolution;

(e) Executed Required Transferee Representations from the Funding Lender;

(f) Delivery into escrow of all amounts required to be paid in connection with the origination of the Borrower Loan and the Funding Loan and any underlying real estate transfers or transactions, including the Costs of Funding Deposit, in accordance with Section 2.3(c)(ii) of the Borrower Loan Agreement;

(g) Receipt by the Funding Lender of a Tax Counsel Approving Opinion;

(h) Receipt by the Funding Lender of an Opinion of Counsel from Tax Counsel to the effect that the Governmental Lender Note is exempt from registration under the Securities Act of 1933, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;
(i) delivery of an opinion of counsel to the Borrower addressed to the Governmental Lender to the effect that the Borrower Loan Documents and the Regulatory Agreement are valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, subject to such exceptions and qualifications as are acceptable to the Governmental Lender; and

(j) Receipt by the Funding Lender of any other documents or opinions that the Funding Lender, the Governmental Lender or Tax Counsel may require.

ARTICLE VII.
FUNDS AND ACCOUNTS

Section 7.1. Authorization to Create Funds and Accounts. Except as provided in Section 7.3 hereof, no other funds or accounts shall be established in connection with the Funding Loan at the time of closing and origination of the Funding Loan. The Fiscal Agent is authorized to establish and create from time to time such other funds and accounts or subaccounts as directed by the Funding Lender or, if there is a Servicer, by the Servicer, as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or condemnation awards), if any, received by the Governmental Lender, the Funding Lender, the Fiscal Agent or the Servicer pursuant to the terms hereof or any of the other Funding Loan Documents and not immediately transferred or disbursed pursuant to the terms of the Funding Loan Documents and/or the Borrower Loan Documents.

Section 7.2. Investment of Funds. Amounts held in any funds or accounts created by the Fiscal Agent under this Funding Loan Agreement shall be invested in Permitted Investments at the written direction of the Borrower (with the approval of the Funding Lender in the case of an investment described in (g) of the definition of Permitted Investments) subject in all cases to the restrictions of Section 8.7 hereof and of the Tax Agreement.

The Fiscal Agent may conclusively rely upon the Borrower’s written instructions as to both the suitability and legality of the directed investments.

Although the Governmental Lender and the Borrower each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Governmental Lender and the Borrower hereby agree that confirmations of Permitted Investments are not required to be issued by the Fiscal Agent for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 7.3. Establishment of Funds and Accounts. There are established with the Fiscal Agent the following funds and accounts:

(a) The Funding Loan Payment Fund;
(b) The Project Fund and within the Project Fund a Note Proceeds Account, a Borrower Equity Account, a Remaining Funding Loan Proceeds Account and a Negative Arbitrage Account;

(c) The Rebate Fund; and

(d) The Expense Fund and therein a Closing Cost Account and a Fiscal Agent Fee Account.

All money required to be deposited with or paid to the Fiscal Agent for the account of any of the funds or accounts created by this Funding Loan Agreement shall be held by the Fiscal Agent in trust for the benefit of the Funding Lender, and except for money held in the Expense Fund and Rebate Fund, shall, while held by the Fiscal Agent, constitute part of the Pledged Revenues and be subject to the lien hereof.

**Section 7.4. Funding Loan Payment Fund.** The Governmental Lender and the Borrower shall have no interest in the Funding Loan Payment Fund or the moneys therein, which shall always be maintained by the Fiscal Agent completely separate and segregated from all other moneys held hereunder and from any other moneys of the Governmental Lender and the Borrower.

The Fiscal Agent shall deposit into the Funding Loan Payment Fund any amounts received from the Borrower as payments of principal of or interest on the Borrower Loan and any other amounts received by the Fiscal Agent that are subject to the lien and pledge of this Funding Loan Agreement, including any Pledged Revenues not otherwise specifically directed in writing to be deposited into other funds created by this Funding Loan Agreement.

The Fiscal Agent shall apply all amounts on deposit in the Funding Loan Payment Fund in the following order of priority:

First, to pay or provide for the payment of the interest then due on the Governmental Lender Note;

Second, to pay or provide for the payment or the prepayment of principal on the Governmental Lender Note, provided moneys have been transferred or deposited into the Funding Loan Payment Fund for such purpose; and

Third, to pay or provide for the payment of the Governmental Lender Note on the Maturity Date.

If the Fiscal Agent has not received, by 11:00 a.m. Eastern time on the date interest is due on the Governmental Lender Note, an amount sufficient to pay such interest or principal, the Fiscal Agent shall provide immediate telephonic or electronic notice to the Funding Lender of such deficiency. The Fiscal Agent may rely on the payment terms of the Governmental Lender Note for purposes of payments described above.
In making any payment under this Section, the Fiscal Agent may rely conclusively upon a written statement provided by the Funding Lender as to the amount payable to the Funding Lender pursuant to this Funding Loan Agreement, the Borrower Loan Agreement or the Construction Funding Agreement, as applicable.

Section 7.5. Expense Fund. The Fiscal Agent shall deposit in the Expense Fund the amounts required by the Borrower Loan Agreement to be paid by the Borrower to the Governmental Lender or the Fiscal Agent as provided in this Section 7.5. On the Closing Date, the Fiscal Agent shall deposit $____________ to the Fiscal Agent Fee Account of the Expense Fund. Amounts on deposit in the Expense Fund shall be used to pay the fees and expenses of the Governmental Lender and the Fiscal Agent, as and when the same become due. In that regard, moneys in the Expense Fund shall be withdrawn or maintained, as appropriate, by the Fiscal Agent to pay (i) on each [April] 1 and [October] 1, commencing [October] 1, 2018, the portion of the Governmental Lender Fee due on such date, (ii) on each [April] 1 and [October] 1, commencing on [October] 1, 2018 to the Fiscal Agent amounts due pursuant to subparts (a) of the definition of "Fiscal Agent’s Fees" herein, and at any time amounts due pursuant to subpart (b) of the definition of the "Fiscal Agent’s Fees" herein, which amounts shall be withdrawn first from the Fiscal Agent Fee Account until such account has been depleted, (iii) upon receipt, to the Fiscal Agent, any amounts due to the Fiscal Agent which have not been paid, other than amounts paid in accordance with clause (ii) hereof, and (iv) upon receipt, to, or at the direction of, the Governmental Lender, any amounts owing the Governmental Lender by the Borrower and then due and unpaid, other than amounts paid in accordance with clause (i) hereof. The Costs of Funding received by the Fiscal Agent on or prior to the Closing Date shall be deposited by the Fiscal Agent in the Closing Cost Account of the Expense Fund to pay the Costs of Funding as provided in written instructions delivered by the Borrower and countersigned by the Funding Lender.

In addition, any additional fees and expenses of Tax Counsel incurred at any time shall be timely funded by additional deposits into the Closing Cost Account of the Expense Fund of moneys from the Borrower not derived from the proceeds of the Borrower Loan.

In the event that the amounts on deposit in the Expense Fund or Closing Cost Account therein are not equal to the amounts payable from the Expense Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Fiscal Agent shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two Business Days to the Fiscal Agent of the amount of such deficiency.

Written notice of any insufficiency, which results in the Governmental Lender not receiving the Governmental Lender Fee on the applicable due date, shall be provided by the Fiscal Agent to the Governmental Lender (with a copy to the Borrower and the Funding Lender) within 10 days of the respective due date.

Upon payment to the Fiscal Agent by the Borrower of such deficiency, the amounts for which such deficiency was requested shall be paid by the Fiscal Agent.
Notwithstanding anything herein to the contrary, the Fiscal Agent, on behalf of the Governmental Lender, shall prepare and submit a written invoice to the Borrower for payment of the Governmental Lender Fee not later than 10 days prior to the due date for payment of such Governmental Lender Fee, and shall remit moneys received from the Borrower to the Governmental Lender for payment of such fee. Failure of the Fiscal Agent to prepare or submit such notice shall not excuse the Borrower from making the required payments.

Section 7.6. Project Fund.

(a) All proceeds of the Funding Loan provided by the Funding Lender shall be deposited to the Funding Loan Proceeds Account of the Project Fund and disbursed as herein provided; provided, however, that any proceeds of the Funding Loan funded pursuant to the Contingency Draw-Down Agreement shall be deposited to the Remaining Funding Loan Proceeds Account of the Project Fund and disbursed as herein provided. The Borrower shall deposit, or cause to be deposited, the Equity Contributions with the Fiscal Agent for further deposit into the Borrower Equity Account of the Project Fund as it is contributed by the Equity Investor to Borrower, in accordance with and subject to the terms of the Operating Agreement. The Fiscal Agent shall disburse moneys in the Project Fund for the acquisition and rehabilitation of the Project, to pay other Qualified Project Costs and to pay other costs related to the Project as provided herein.

As determined by the Borrower, not less than 95% of the moneys representing proceeds of the Funding Loan deposited in and credited to the Funding Loan Proceeds Account and Remaining Funding Loan Proceeds Account of the Project Fund, including Investment Income thereon, will be expended for Qualified Project Costs (the "95% Requirement"). The amounts on deposit in the Funding Loan Proceeds Account of the Project Fund shall not be applied to the payment of Closing Costs.

Before any payment shall be made from the Project Fund, there shall be filed with the Fiscal Agent a Written Requisition of the Borrower substantially in the form attached hereto as Exhibit C and approved by the Funding Lender pursuant to the terms, conditions and provisions of the Construction Funding Agreement. The Fiscal Agent shall be entitled to conclusively rely upon any Written Requisition in determining whether to disburse amounts from the Project Fund.

In connection with a Written Requisition:

(i) Only the signature of an authorized officer of the Funding Lender shall be required on a Written Requisition during any period in which a default by the Borrower has occurred and is then continuing under the Borrower Loan (notice of which default has been given in writing by an authorized officer of the Funding Lender to the Fiscal Agent, and the Fiscal Agent shall be entitled to conclusively rely on any such Written Notice as to the occurrence and continuation of such a default).
(ii) The Fiscal Agent shall disburse amounts in the Project Fund upon receipt of a Written Requisition signed only by the Funding Lender (and without any need for any signature by an Authorized Borrower Representative), so long as the amount to be disbursed is to be used solely to make payments of principal, interest and/or fees due under the Funding Loan Documents.

(iii) The Fiscal Agent may conclusively rely on all Written Requisitions, the execution of the Written Requisitions by the Authorized Borrower Representative and the approval of all Written Requisitions by the Funding Lender, as required by this Section, as conditions of payment from the Project Fund, which Written Requisitions constitute, as to the Fiscal Agent, irrevocable determinations that all conditions to payment of the specified amounts from the Project Fund have been satisfied. These documents shall be retained by the Fiscal Agent, subject at all reasonable times to examination by the Borrower, the Governmental Lender, the Funding Lender and the agents and representatives thereof upon reasonable notice to the Fiscal Agent. The Fiscal Agent is not required to inspect the Project or the construction work or to make any independent investigation with respect to the matters set forth in any Written Requisition or other statements, orders, certifications and approvals received by the Fiscal Agent. The Fiscal Agent is not required to obtain completion bonds, lien releases or otherwise supervise the acquisition, construction, renovation, equipping, improvement and installation of the Project.

(iv) Upon receipt of each Written Requisition submitted by the Borrower and approved in writing by the Funding Lender, the Fiscal Agent shall promptly, but in any case within three Business Days, make payment from the appropriate account within the Project Fund in accordance with such Written Requisition substantially in the form attached hereto as Exhibit C. The Fiscal Agent shall have no duty to determine whether any requested disbursement from the Project Fund complies with the terms, conditions and provisions of the Funding Loan Documents, constitutes payment of Qualified Project Costs or complies with the 95% Requirement. The approval in writing of a Written Requisition by the Funding Lender shall be deemed a certification and, insofar as the Fiscal Agent and the Governmental Lender are concerned, shall constitute conclusive evidence that all of the terms, conditions and requirements of the Funding Loan Documents applicable to such disbursement have been fully satisfied or waived by the Funding Lender and the Written Requisition from the Borrower shall, insofar as the Fiscal Agent and the Governmental Lender are concerned, constitute conclusive evidence that the costs described in the Written Requisition constitute Qualified Project Costs or other permitted Project costs.

The Fiscal Agent shall immediately provide Written Notice to the Borrower, the Funding Lender and the Governmental Lender if there are not sufficient funds on deposit with the Fiscal Agent to make the transfers as and when required by this Section 7.6(b). Except as provided in the next sentence, all such payments shall be made by check or draft payable, or by wire transfer, either (i) directly to the person, firm or corporation to be paid,
(ii) to the Borrower and such person, firm or corporation, or (iii) upon receipt by the Funding Lender of evidence that the Borrower has previously paid such amount and Written Direction to the Fiscal Agent as to such as evidenced by the Funding Lender’s approval of the Written Requisition, to the Borrower. Upon the occurrence of an Event of Default of the Borrower of which the Fiscal Agent has knowledge as provided herein, which is continuing under the Funding Loan Documents, with the Written Consent of the Funding Lender, the Fiscal Agent shall apply amounts on deposit in the Project Fund to the payment of principal of and interest on the Governmental Lender Note. If a Written Requisition signed by the Authorized Borrower Representative and countersigned by an authorized officer of the Funding Lender is received by the Fiscal Agent, the requested disbursement shall be paid by the Fiscal Agent as soon as practicable, but in no event later than three Business Days following receipt thereof by the Fiscal Agent. Upon final disbursement of all amounts on deposit in the Project Fund, the Fiscal Agent shall close the Project Fund.

(b) Moneys on deposit in the Negative Arbitrage Account of the Project Fund, together with investment earnings thereon, which shall be retained therein, shall be transferred to the Funding Loan Payment Fund and applied pursuant to Section 7.4 on each Borrower Loan Payment Date to the extent necessary to enable the Fiscal Agent to pay interest due on the Funding Loan on such date; provided that, upon receipt of a Written Direction of the Borrower, moneys on deposit in the Negative Arbitrage Account of the Project Fund shall be transferred to the Servicer on the date when due under the Borrower Note in an amount as set forth in such Written Direction which amount shall represent the Borrower Loan Payment due at such time. Upon the request of the Fiscal Agent, the Servicer shall provide the Fiscal Agent with a schedule of the Borrower Loan Payment Dates and corresponding Borrower Loan Payment amounts. The transfer of moneys from the Negative Arbitrage Account of the Project Fund to the Funding Loan Payment Fund or the Servicer as set forth above shall occur automatically without the need for a Written Requisition of the Borrower, or consent of the Funding Lender. After the Closing Date, the Borrower, with the written consent of the Funding Lender, may deposit additional funds into the Negative Arbitrage Account.

(c) Amounts on deposit in the Borrower Equity Account of the Project Fund shall be disbursed from time to time by the Fiscal Agent to pay designated amounts as set forth in and upon receipt of a Written Requisition of the Borrower signed by an Authorized Borrower Representative and the Funding Lender.

(d) Immediately prior to any mandatory prepayment of the Funding Loan pursuant hereto, any amounts then remaining in the Project Fund shall, at the written direction of the Funding Lender, be transferred to the Funding Loan Payment Fund to be applied to the prepayment of the Governmental Lender Note pursuant hereto.

(e) Amounts on deposit in the Project Fund shall be invested in Permitted Investments directed in writing by the Borrower (with the approval of the Funding Lender in the case of an investment described in (g) of the definition of Permitted Investments). Investment Income
earned on amounts on deposit in the Project Fund shall be retained in and credited to and become a part of the amounts on deposit in the Project Fund.

Section 7.7. Rebate Fund. All amounts in the Rebate Fund shall be held, invested and disbursed by the Fiscal Agent in accordance with the provisions of the Tax Agreement, the terms of which are incorporated herein by reference and made a part hereof as if fully set forth herein. The Borrower shall have the absolute obligation to deposit funds into the Rebate Fund in accordance with the provisions of the Tax Agreement. The Fiscal Agent shall make rebate payments to the United States Treasury in accordance with the applicable provisions of the Tax Agreement. The Fiscal Agent shall conclusively be deemed to have complied with such provisions if it follows the written instructions of the Borrower and shall not be required to take any actions within its power and authority under the Tax Agreement on behalf of the Borrower in the absence of written instructions from the Borrower.

ARTICLE VIII.
REPRESENTATIONS AND COVENANTS

Section 8.1. General Representations. The Governmental Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Governmental Lender is a public body corporate and politic, organized and existing under the laws of the State of Florida, has the power and authority to (i) enter into the Funding Loan Documents to which it is a party and the transactions contemplated thereby, (ii) incur the limited obligation represented by the Governmental Lender Note and the Funding Loan and apply the proceeds of such obligation or loan to finance the Project and (iii) carry out its other obligations under this Funding Loan Agreement and the Governmental Lender Note, and by proper action has duly authorized the Governmental Lender’s execution and delivery of, and its performance under, such Funding Loan Documents and all other agreements and instruments relating thereto.

(b) The Governmental Lender is not in default under or in violation of, and the execution and delivery of the Funding Loan Documents to which it is a party and its compliance with the terms and conditions thereof will not conflict with or constitute a default under or a violation of, (i) the Act or the County Authorization, (ii) to its knowledge, any other existing laws, rules, regulations, judgments, decrees and orders applicable to it, or (iii) to its knowledge, the provisions of any agreements and instruments to which the Governmental Lender is a party, a default under or violation of which would prevent it from entering into the Funding Loan Agreement, executing and delivering the Governmental Lender Note, financing the Project, executing and delivering the other Funding Loan Documents to which it is a party or consummating the transactions contemplated thereby, and, to its knowledge, no event has occurred and is continuing under the provisions of any such agreement or instrument or otherwise that with the lapse of time or the giving of notice, or both, would constitute such a default or violation (it being understood, however, that the Governmental Lender is making no representations as to the necessity of registering the Governmental Lender Note or the Borrower
Note pursuant to any securities laws or complying with any other requirements of securities laws).

(c) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender with respect to (i) the organization and existence of the Governmental Lender, (ii) its authority to execute or deliver the Funding Loan Documents to which it is a party, (iii) the validity or enforceability of any such Funding Loan Documents or the transactions contemplated thereby, (iv) the title of any officer of the Governmental Lender who executed such Funding Loan Documents or (v) any authority or proceedings relating to the execution and delivery of such Funding Loan Documents on behalf of the Governmental Lender, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

(d) The revenues and receipts to be derived from the Borrower Loan Agreement, the Borrower Note and this Funding Loan Agreement have not been pledged previously by the Governmental Lender to secure any of its notes or bonds other than the Funding Loan Agreement as evidenced by the Governmental Lender Note.

(e) The Division of Bond Finance of the State has provided an allocation of the State’s 2017 private activity bond volume cap under section 146 of the Code to the Governmental Lender for the Governmental Lender Note, the Governmental Lender has timely made any required carry forward election with respect to such allocation.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE FUNDING LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

Section 8.2. No Encumbrance on Security. The Governmental Lender will not knowingly create or knowingly permit the creation of any mortgage, pledge, lien, charge or encumbrance of any kind on the Security or any part thereof prior to or on a parity with the lien of this Funding Loan Agreement, except as expressly permitted or contemplated by the Funding Loan Documents.

Section 8.3. Repayment of Funding Loan. Subject to the provisions of Article III hereof, the Governmental Lender will duly and punctually repay, or cause to be repaid, the Funding Loan, as evidenced by the Governmental Lender Note, as and when the same shall become due, all in accordance with the terms of the Governmental Lender Note and this Funding Loan Agreement.

Section 8.4. Servicer. The Funding Lender may appoint a Servicer to service and administer the Governmental Loan and/or the Borrower Loan on behalf of the Funding Lender.
and the Fiscal Agent, including without limitation the fulfillment of rights and responsibilities
granted by Governmental Lender to Funding Lender pursuant to Section 2.1 of the Borrower
Loan Agreement.

Section 8.5.  Borrower Loan Agreement Performance.

(a) The Funding Lender and the Fiscal Agent, on behalf of the Governmental
Lender, may (but shall not be required or obligated) perform and observe any agreement or
covenant of the Governmental Lender under the Borrower Loan Agreement, all to the end that
the Governmental Lender’s rights under the Borrower Loan Agreement may be unimpaired and
free from default.

(b) The Governmental Lender will promptly notify the Borrower, the Fiscal
Agent and the Funding Lender in writing of the occurrence of any Borrower Loan Agreement
Default, provided that the Governmental Lender has received written notice or otherwise has
knowledge of such event.

Section 8.6.  Maintenance of Records; Inspection of Records.

(a) The Fiscal Agent shall keep and maintain adequate records pertaining to
any funds and accounts established hereunder, including all deposits to and disbursements from
said funds and accounts and shall keep and maintain the registration books for the Funding Loan
and interests therein. The Fiscal Agent shall retain (subject to the retention policy of the Fiscal
Agent) in its possession all certifications and other documents presented to it, all such records
and all records of principal, interest and premium paid on the Funding Loan, subject to the
inspection of the Funding Lender and the Governmental Lender and their representatives at all
reasonable times and upon reasonable prior notice.

(b) The Governmental Lender and the Funding Lender will at any and all
times, upon the reasonable request of the Borrower, the Fiscal Agent, the Governmental Lender
or the Funding Lender, afford and procure a reasonable opportunity by their respective
representatives to inspect the books, records, reports and other papers of the Governmental
Lender or the Funding Lender, as appropriate, relating to the Project and the Funding Loan, if
any, and to make copies thereof.

Section 8.7.  Tax Covenants.  The Governmental Lender covenants to and for the
benefit of the Funding Lender that, notwithstanding any other provisions of this Funding Loan
Agreement or of any other instrument, it will:

(a) Enforce or cause to be enforced all obligations of the Borrower under the
Regulatory Agreement in accordance with its terms and seek to cause the Borrower to correct any
violation of the Regulatory Agreement within a reasonable period after any such violation is first
discovered;
(b) Not take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Governmental Lender Note to be includable in gross income for federal income tax purposes;

(c) At all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Governmental Lender Note will be excluded from the gross income of the holders of the Governmental Lender Note, for federal income tax purposes, pursuant to Section 103 of the Code, except in the event where any holder of the Funding Loan or a portion thereof is a "substantial user" of the facilities financed with the Funding Loan or a "related person" within the meaning of Section 147(a) of the Code;

(d) Not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Funding Loan to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations; and

(e) Require the Borrower to agree, pursuant to the terms and provisions of the Borrower Loan Agreement, not to commit any act and not to make any use of the proceeds of the Funding Loan, or any other moneys which may be deemed to be proceeds of the Funding Loan pursuant to the Code, which would cause the Funding Loan to be an "arbitrage bond" within the meaning of Sections 103(b) and 148 the Code, and to comply with the requirements of the Code throughout the term of the Funding Loan; and

(f) Require the Borrower to take all steps necessary to compute and pay any rebatable arbitrage in accordance with Section 148(f) of the Code.

In furtherance of the covenants in this Section 8.7, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Agreement, which are by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full.

For purposes of this Section 8.7 the Governmental Lender’s compliance shall be based solely on matters within the Governmental Lender’s control and no acts, omissions or directions of the Borrower (except as provided in Section 8.8 hereof), the Fiscal Agent (unless the Fiscal Agent is acting on behalf of the Governmental Lender), the Funding Lender or any other Persons shall be attributed to the Governmental Lender.

In complying with the foregoing covenants, the Governmental Lender may rely from time to time on a Tax Counsel No Adverse Effect Opinion or other appropriate opinion of Tax Counsel.

Section 8.8. Performance by the Borrower. Without relieving the Governmental Lender from the responsibility for performance and observance of the agreements and covenants required to be performed and observed by it hereunder, the Borrower, on behalf of the
Governmental Lender, may perform any such agreement or covenant if no Borrower Loan Agreement Default or Potential Default under the Borrower Loan Agreement exists.

Section 8.9. Maintenance of Records. The Funding Lender shall keep and maintain adequate records pertaining to funds and accounts relative to the Borrower Loan not established with the Fiscal Agent, if any, including all deposits to and disbursements from said funds and accounts and will provide information and records relating thereto to the Fiscal Agent or the Governmental Lender upon request.

ARTICLE IX.
DEFAULT; REMEDIES

Section 9.1. Events of Default. Any one or more of the following shall constitute an event of default (an "Event of Default") under this Funding Loan Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or Governmental Authority):

(a) A default in the payment of any interest upon the Governmental Lender Note when such interest becomes due and payable; or

(b) A default in the payment of principal of, or premium on, the Governmental Lender Note when such principal or premium becomes due and payable, whether at its stated maturity, by declaration of acceleration or call for mandatory prepayment or otherwise; or

(c) Subject to Section 8.8 hereof, default in the performance or breach of any material covenant or warranty of the Governmental Lender in this Funding Loan Agreement (other than a covenant or warranty or default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after there has been given written notice, as provided in Section 11.1 hereof, to the Governmental Lender, the Fiscal Agent and the Borrower by the Funding Lender or the Servicer, specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under this Funding Loan Agreement; provided that, so long as the Governmental Lender, or the Borrower on its behalf, has commenced to cure such failure to observe or perform within the thirty (30) day cure period and the subject matter of the default is not capable of cure within said thirty (30) day period and the Governmental Lender, or the Borrower on its behalf, is diligently pursuing such cure to the Funding Lender's satisfaction, with the Funding Lender's Written Direction or Written Consent, then the Governmental Lender shall have an additional period of time as reasonably necessary (not to exceed 30 days unless extended in writing by the Funding Lender) within which to cure such default; or

(d) A default in the payment of any Additional Borrower Payments; or

(e) Any other "Default" or "Event of Default" under any of the other Funding Loan Documents (taking into account any applicable grace periods therein).
Any notice of default delivered by the Funding Lender to the Borrower shall be contemporaneously delivered to the Equity Investor and the Fiscal Agent.

Section 9.2. Acceleration of Maturity; Rescission and Annulment.

(a) Subject to the provisions of Section 9.9 hereof, upon the occurrence of an Event of Default under Section 9.1 hereof, then and in every such case, the Funding Lender may declare the principal of the Funding Loan and the Governmental Lender Note and the interest accrued to be immediately due and payable, by notice to the Fiscal Agent, the Governmental Lender and the Borrower and upon any such declaration, all principal of and Prepayment Premium, if any, and interest on the Funding Loan and the Governmental Lender Note shall become immediately due and payable.

(b) At any time after a declaration of acceleration has been made pursuant to subsection (a) of this Section, the Funding Lender may by Written Notice to the Fiscal Agent, the Borrower and the Governmental Lender, rescind and annul such declaration and its consequences if:

(i) There has been deposited with the Fiscal Agent or Funding Lender (with notice of such deposit to the Fiscal Agent) a sum sufficient to pay (1) all overdue installments of interest on the Funding Loan, (2) the principal of and Prepayment Premium on the Funding Loan that has become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Funding Loan, (3) to the extent that payment of such interest is lawful as determined by the Funding Lender, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Funding Loan, (4) all sums paid or advanced by the Funding Lender and the reasonable compensation, expenses, disbursements and advances of the Funding Lender, its agents and counsel (but only to the extent not duplicative with subclauses (1) and (3) above) and (5) all fees and expenses incurred by the Fiscal Agent; and

(ii) All Events of Default, other than the non payment of the principal of the Funding Loan which have become due solely by such declaration of acceleration, have been cured or have been waived in writing as provided in Section 9.9 hereof in connection with such Event of Default.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(c) Notwithstanding the occurrence and continuation of an Event of Default, it is understood that the Funding Lender shall pursue no remedies against the Borrower or the Project if no Borrower Loan Agreement Default has occurred and is continuing. An Event of Default hereunder shall not in and of itself constitute a Borrower Loan Agreement Default.
Section 9.3. Additional Remedies; Funding Lender Enforcement.

(a) Upon the occurrence of an Event of Default, the Funding Lender may, subject to the provisions of this Section 9.3 and Section 9.9 hereof, proceed to protect and enforce its rights by mandamus or other suit, action or proceeding at law or in equity. No remedy conferred by this Funding Loan Agreement upon or remedy reserved to the Funding Lender is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Funding Lender hereunder or now or hereafter existing at law or in equity or by statute. The Funding Lender acknowledges and agrees that neither the Governmental Lender nor the Fiscal Agent shall be responsible or liable for any fees and expenses incurred by the Funding Lender in connection with pursuing remedies under this Article IX.

(b) Upon the occurrence and continuation of any Event of Default, the Funding Lender may proceed forthwith to protect and enforce its rights and this Funding Loan Agreement by such suits, actions or proceedings as the Funding Lender, in its sole discretion, shall deem expedient. Funding Lender shall have upon the occurrence and continuation of any Event of Default all rights, powers, and remedies with respect to the Security as are available under the Uniform Commercial Code applicable thereto or as are available under any other applicable law at the time in effect and, without limiting the generality of the foregoing, the Funding Lender may proceed at law or in equity or otherwise, to the extent permitted by applicable law:

(i) to take possession of the Security or any part thereof, with or without legal process, and to hold, service, administer and enforce any rights thereunder or thereto, and otherwise exercise all rights of ownership thereof, including (but not limited to) the sale of all or part of the Security;

(ii) to service and administer the security instrument for its own account;

(iii) to service and administer the Funding Loan as agent and on behalf of the Governmental Lender, the Fiscal Agent or otherwise, and, if applicable, to take such actions necessary to enforce the Borrower Loan Documents and the Funding Loan Documents on its own behalf, and to take such alternative courses of action, as it may deem appropriate; or

(iv) to take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents, or the Borrower Loan Documents, or in and of the execution of any power herein granted, or for foreclosure hereunder, or for enforcement of any other appropriate legal or equitable remedy or otherwise as the Funding Lender may elect.
(c) Whether or not an Event of Default has occurred, the Funding Lender, in its sole discretion, shall have the sole right, with written notice to the Fiscal Agent, to waive or forbear any term, condition, covenant or agreement of the Security Instrument, the Borrower Loan Agreement, the Borrower Note or any other Borrower Loan Documents or Funding Loan Documents applicable to the Borrower, or any breach thereof, other than any covenant that would adversely impact the tax exempt status of the interest on the Governmental Lender Note, and provided that the Governmental Lender may enforce specific performance with respect to the Unassigned Rights; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

(d) If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 60 days after the Borrower, the Governmental Lender, the Fiscal Agent and the Funding Lender receive Written Notice stating that a default under the Regulatory Agreement has occurred and specifying the nature of the default, the Funding Lender shall have the right to seek specific performance of the provisions of the Regulatory Agreement or to exercise its other rights or remedies thereunder.

(e) If the Borrower defaults in the performance of its obligations under the Borrower Loan Agreement to make rebate payments, to comply with any applicable continuing disclosure requirements, or to make payments owed pursuant to Sections 2.5, 5.14 or 5.15 of the Borrower Loan Agreement for fees, expenses or indemnification, the Funding Lender shall have the right to exercise all its rights and remedies thereunder (subject to the last paragraph of Section 9.14 hereof).

Section 9.4. Application of Money Collected. Any money collected by the Funding Lender or the Fiscal Agent pursuant to this Article and any other sums then held by the Funding Lender as part of the Security, shall be applied in the following order, at the date or dates fixed by the Funding Lender:

(a) First: To the payment of any and all amounts due under the Funding Loan Documents other than with respect to principal and interest accrued on the Funding Loan, including, without limitation, any amounts due to the Governmental Lender, the Funding Lender, the Servicer, the Fiscal Agent and the Rebate Analyst;

(b) Second: To the payment of the whole amount of the Funding Loan, as evidenced by the Governmental Lender Note, then due and unpaid in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Funding Loan) on overdue principal of, and Prepayment Premium and overdue installments of interest on the Funding Loan; provided, however, that partial interests in any portion of the Funding Loan shall be paid in such
order of priority as may be prescribed by Written Direction of the Funding Lender in its sole and absolute discretion; and

(c) Third: The payment of the remainder, if any, to the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 9.5. Remedies Vested in Funding Lender. All rights of action and claims under this Funding Loan Agreement or the Governmental Lender Note may be prosecuted and enforced by the Funding Lender without the possession of the Governmental Lender Note or the production thereof in any proceeding relating thereto.

Section 9.6. Restoration of Positions. If Funding Lender shall have instituted any proceeding to enforce any right or remedy under this Funding Loan Agreement and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Funding Lender, then and in every such case the Governmental Lender and the Funding Lender shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Governmental Lender and the Funding Lender shall continue as though no such proceeding had been instituted.

Section 9.7. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Funding Lender is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.8. Delay or Omission Not Waiver. No delay or omission of the Funding Lender to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Funding Lender may be exercised from time to time, and as often as may be deemed expedient, by Funding Lender. No waiver of any default or Event of Default pursuant to Section 9.9 hereof shall extend to or shall affect any subsequent default or Event of Default hereunder or shall impair any rights or remedies consequent thereon.

Section 9.9. Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Funding Lender, the Funding Lender may, subject to Section 9.6 hereof, by Written Notice to the Fiscal Agent, the Governmental Lender and the Borrower, waive any past default hereunder or under the Borrower Loan Agreement and its consequences except for default in obligations due the Governmental Lender pursuant to or under the Unassigned Rights. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Funding
Loan Agreement and the Borrower Loan Agreement; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 9.10. Remedies Under Borrower Loan Agreement or Borrower Note. As set forth in this Section 9.10 but subject to Section 9.9 hereof, the Funding Lender shall have the right, in its own name or on behalf of the Governmental Lender, to declare any default and exercise any remedies under the Borrower Loan Agreement or the Borrower Note, whether or not the Governmental Lender Note has been accelerated or declared due and payable by reason of an Event of Default.

Section 9.11. Waiver of Appraisement and Other Laws.

(a) To the extent permitted by law, the Governmental Lender will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisement, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Governmental Lender, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Security marshaled upon any enforcement hereof.

(b) If any law now in effect prohibiting the waiver referred to in Section 9.11(a) shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section 9.11.

Section 9.12. Suits to Protect the Security. The Funding Lender shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Security by any acts that may be unlawful or in violation of this Funding Loan Agreement and to protect its interests in the Security and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any Governmental Authority enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Funding Lender.

Section 9.13. Remedies Subject to Applicable Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Funding
Loan Agreement invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

**Section 9.14. Assumption of Obligations.** In the event that the Funding Lender or its assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under the Borrower Loan Agreement, the Borrower Note, the Regulatory Agreement, the Tax Agreement and any other Funding Loan Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default hereunder, rights and remedies may be pursued pursuant to the terms of the Funding Loan Documents.

**ARTICLE X. AMENDMENT; AMENDMENT OF FUNDING LOAN AGREEMENT AND OTHER DOCUMENTS**

**Section 10.1. Amendment of Funding Loan Agreement.** Any of the terms of this Funding Loan Agreement and the Governmental Lender Note may be amended or waived only by an instrument signed by the Funding Lender, the Fiscal Agent and the Governmental Lender, provided, however, no such amendment which materially affects the rights, duties, obligations or other interests of the Borrower shall be made without the consent of the Borrower, and, provided further, that if the Borrower is in default under any Funding Loan Document, no Borrower consent shall be required unless such amendment has a material adverse effect on the rights, duties, obligations or other interests of the Borrower. All of the terms of this Funding Loan Agreement shall be binding upon the successors and assigns of and all persons claiming under or through the Governmental Lender, the Fiscal Agent or any such successor or assign, and shall inure to the benefit of and be enforceable by the successors and assigns of the Funding Lender and the Fiscal Agent.

**Section 10.2. Amendments Require Funding Lender Consent.** Neither the Governmental Lender nor the Fiscal Agent shall consent to any amendment, change or modification of the Borrower Loan Agreement or any other Borrower Loan Document or Funding Loan Document without the prior Written Consent of the Funding Lender.

**Section 10.3. Consents and Opinions.** No amendment to this Funding Loan Agreement or any other Funding Loan Document entered into under this Article X or any amendment, change or modification otherwise permitted under this Article X shall become effective unless and until (i) the Funding Lender shall have approved the same in writing in its sole discretion and (ii) the Funding Lender, the Governmental Lender and the Fiscal Agent shall have received, at the expense of the Borrower, a Tax Counsel No Adverse Effect Opinion and an Opinion of
Counsel to the effect that any such proposed amendment is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations.

ARTICLE XI.
THE FISCAL AGENT

Section 11.1. Appointment of Fiscal Agent; Acceptance. The Governmental Lender hereby appoints U.S. Bank National Association. as Fiscal Agent hereunder. The Fiscal Agent shall signify its acceptance of the duties and obligations imposed upon it by this Funding Loan Agreement by executing this Funding Loan Agreement.

Section 11.2. Certain Duties and Responsibilities of Fiscal Agent.

(a) The Fiscal Agent undertakes to perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement, and no implied covenants or obligations shall be read into this Funding Loan Agreement against the Fiscal Agent.

(b) If an Event of Default exists hereunder or under any Borrower Loan Document of which Fiscal Agent has been provided Written Notice, the Fiscal Agent shall exercise such of the rights and powers vested in it by this Funding Loan Agreement, and subject to Section 11.2(c)(iii) hereof, use the same degree of care and skill in their exercise, as a prudent corporate trust officer would exercise or use under similar circumstances in the conduct of corporate trust business. The Fiscal Agent, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Funding Loan Agreement, and no implied covenants or obligations should be read into this Funding Loan Agreement against the Fiscal Agent.

(i) The Fiscal Agent may consult with counsel, and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Fiscal Agent hereunder in good faith and in reliance thereon.

(ii) The Fiscal Agent shall not be accountable for the use or application by the Governmental Lender of the proceeds of the Governmental Note or for the use or application of any money paid over by the Fiscal Agent in accordance with the provisions of this Funding Loan Agreement or for the use and application of money received by any paying agent.

(iii) The Fiscal Agent shall not be liable for any loss, expense or liability incurred as a result of such investment made in accordance with directions of the Borrower, the Governmental Lender or the Funding Lender, as applicable.
(c) No provision of this Funding Loan Agreement shall be construed to relieve the Fiscal Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, in each case, as finally adjudicated by a court of law, except that:

(i) This subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) The Fiscal Agent shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts;

(iii) The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Funding Lender relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent, or exercising any power conferred upon the Fiscal Agent under this Funding Loan Agreement; and

(iv) No provision of this Funding Loan Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

Subject to its rights to indemnification pursuant to Section 11.4 hereof, the Fiscal Agent is directed to enter into the Borrower Loan Documents to which it is a party and other related documents, solely in its capacity as Fiscal Agent.

(d) Whether or not therein expressly so provided, every provision of this Funding Loan Agreement and the other Funding Loan Documents relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Section.

(e) The Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Funding Loan Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Funding Loan Agreement.

(f) The permissive rights of the Fiscal Agent to do things enumerated in this Funding Loan Agreement shall not be construed as a duty.

(g) The rights of the Fiscal Agent and limitations of liability enumerated herein and in Section 11.4 shall extend to actions taken or omitted in its role as assignee of the Governmental Lender under the Borrower Loan Agreement and the other Funding Loan Documents.
(h) In connection with the issuance of the Governmental Lender Note, certain moneys will be deposited with the Fiscal Agent before the closing date pursuant to one or more letters of instruction from the provider or providers of such money. Such moneys will be held by the Fiscal Agent subject to the terms and conditions of this Funding Loan Agreement in addition to terms provided in such letter(s) of instruction. For such purpose the standards of care, provisions regarding responsibilities and indemnification and other sections relating to the Fiscal Agent contained in this Funding Loan Agreement and the Borrower Loan Agreement (the "Effective Provisions") shall be effective as of the first day of receipt by the Fiscal Agent of such moneys. The Effective Provisions shall be deemed incorporated into such letter(s) of instructions.

Section 11.3. Notice of Defaults. Upon the occurrence of any default hereunder or under any Borrower Loan Document and provided that a Responsible Officer of the Fiscal Agent is aware of or has received Written Notice of the existence of such default, promptly, and in any event within 15 days, the Fiscal Agent shall transmit to the Governmental Lender, the Borrower, the Equity Investor, the Servicer, if any, and the Funding Lender, in the manner and at the addresses for notices set forth in Section 12.1 hereof, notice of such default hereunder known to the Fiscal Agent pursuant to Section 11.4(g) hereof, unless such default shall have been cured or waived.

Section 11.4. Certain Rights of Fiscal Agent. Except as otherwise provided in Section 11.1 hereof:

(a) The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the purported proper party or parties;

(b) Any request or direction of the Governmental Lender mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Governmental Lender Representative;

(c) Whenever in the administration of this Funding Loan Agreement or any Borrower Loan Document the Fiscal Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Fiscal Agent (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Written Certificate of the Governmental Lender, the Funding Lender, the Servicer or the Borrower, as appropriate;

(d) The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Funding Loan Agreement or any Borrower Loan Document at the request or direction of the Funding Lender, pursuant to this Funding Loan Agreement, unless the Funding Lender shall have offered to the Fiscal Agent in writing security or indemnity reasonably satisfactory to the Fiscal Agent against the costs, expenses and liabilities which might be incurred
by it in compliance with such request or direction, except costs, expenses and liabilities which are adjudicated to have resulted from its own negligence or willful misconduct, provided, that nothing contained in this subparagraph (d) shall be construed to require such security or indemnity for the performance by the Fiscal Agent of its obligations under Section 8.6 hereof;

(e) The Fiscal Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, debenture, coupon or other paper or document but the Fiscal Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Fiscal Agent shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Governmental Lender, if any, and of the Borrower, in either case personally or by agent or attorney after reasonable notice and during normal business hours;

(f) The Fiscal Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and pay reasonable compensation thereto and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may act upon the advice of counsel of its choice concerning all matters hereof and the Fiscal Agent shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith reliance upon said advice. The reasonable fees and expenses of such counsel for the Fiscal Agent shall be paid by the Borrower upon the written request of the Fiscal Agent; and

(g) The Fiscal Agent shall not be required to take notice or be deemed to have notice of any default hereunder or under any Borrower Loan Document except for failure by the Borrower to make payments to the Fiscal Agent and not the Servicer of principal, interest, premium, if any, or the Governmental Lender Fee when due, unless a Responsible Officer of the Fiscal Agent shall be specifically notified by a Written Direction of such default by the Governmental Lender, the Servicer or the Funding Lender, and all notices or other instruments required by this Funding Loan Agreement or under any Borrower Loan Document to be delivered to the Fiscal Agent, must, in order to be effective, be delivered in writing to a Responsible Officer of the Fiscal Agent at the Office of the Fiscal Agent, and in the absence of such Written Notice so delivered the Fiscal Agent may conclusively assume there is no default as aforesaid.

Section 11.5. Not Responsible for Recitals. The recitals contained herein and in the Governmental Lender Note shall be taken as the statements of the Governmental Lender, and the Fiscal Agent assumes no responsibility for their correctness. The Fiscal Agent makes no representations as to the value or condition of the Pledged Revenues, the Security or any part thereof, or as to the title of the Governmental Lender thereto or as to the security afforded thereby
or hereby, or as to the validity or sufficiency of this Funding Loan Agreement or of the Governmental Lender Note.

The Fiscal Agent shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the funding of the Funding Loan.

The Fiscal Agent shall not be required to monitor the financial condition of the Borrower or the physical condition of the Project. Unless otherwise expressly provided, the Fiscal Agent shall be under no obligation to analyze, review or make any credit decisions with respect to any financial statements, reports, notices, certificates or documents received hereunder but shall hold such financial statements reports, notices, certificates and documents solely for the benefit of, and review by, the Funding Lender and such other parties to whom the Fiscal Agent may provide such information pursuant to this Funding Loan Agreement. The Fiscal Agent shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner.

The Fiscal Agent makes no representations as to and shall have no responsibility for the sufficiency of the insurance required under any of the Borrower Loan Documents.

Section 11.6. May Hold Governmental Lender Note. The Fiscal Agent in its individual or any other capacity may become the owner or pledgee of the Governmental Lender Note and may otherwise deal with the Governmental Lender, the Funding Lender and the Borrower with the same rights it would have if it were not Fiscal Agent.

Section 11.7. Moneys Held by Fiscal Agent. Moneys held by the Fiscal Agent hereunder need not be segregated from other funds except to the extent required by law. The Fiscal Agent shall be under no liability for interest on any moneys received by it hereunder except as otherwise provided herein. The Fiscal Agent in its capacity hereunder is not acting as trustee.

Section 11.8. Compensation and Reimbursement. Under the Borrower Loan Agreement, the Borrower has agreed to reimburse the Fiscal Agent as provided in this Funding Loan Agreement or the Borrower Loan Agreement, upon its request for all reasonable expenses, disbursements and advances incurred or made by the Fiscal Agent in accordance with any provision of this Funding Loan Agreement (including the reasonable fees, expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Fiscal Agent’s negligence or willful misconduct, both as finally adjudicated by a court of law.

When the Fiscal Agent incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.
(a) The Governmental Lender has no obligation to pay the Fiscal Agent for services rendered.

(b) As security for the performance of the obligations of the Borrower under this Section and for the payment of such compensation, expenses, reimbursements and indemnity, the Fiscal Agent shall have the right to use and apply any moneys held by it as Pledged Revenues.

(c) The Fiscal Agent’s rights to compensation and reimbursement shall survive its resignation or removal, the payment of the Funding Loan or the Borrower Loan or the release of this Funding Loan Agreement.

Section 11.9. Fiscal Agent Required; Eligibility. Any successor Fiscal Agent shall at all times be a trust company, a state banking corporation or a national banking association with the authority to accept trusts in the State approved in writing by the Governmental Lender and either (a) have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition, (b) be a wholly owned subsidiary of a bank holding company, or a wholly owned subsidiary of a company that is a wholly owned subsidiary of a bank holding company, having a combined capital surplus of at least $50,000,000 as set forth in its most recent published annual report of condition, have at least $500,000,000 of trust assets under management and have a combined capital surplus of at least $2,000,000 as set forth in its most recent published annual report of condition, or (c) be otherwise acceptable to the Funding Lender in its sole and absolute discretion.

Section 11.10. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Fiscal Agent hereunder and no appointment of a successor Fiscal Agent pursuant to this Article shall become effective until the written acceptance by the successor Fiscal Agent of such appointment.

(b) The Fiscal Agent may resign at any time by giving 30 days’ Written Notice thereof to the Governmental Lender, the Borrower, the Servicer, if any, and the Funding Lender. If an instrument of acceptance by a successor Fiscal Agent shall not have been delivered to the Fiscal Agent within 30 days after the giving of such notice of resignation, the resigning Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(c) The Fiscal Agent may be removed at any time with 30 days’ notice by (i) the Governmental Lender, with the Written Consent of the Funding Lender, (ii) the Borrower (unless the Borrower is in default under any of the Borrower Loan Documents), with the Written Consent of the Funding Lender and the Governmental Lender, or (iii) the Funding Lender by Written Notice delivered to the Fiscal Agent, the Governmental Lender and the Borrower.

(d) If the Fiscal Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the Office of the Fiscal Agent for any cause, the Governmental Lender
shall promptly appoint a successor Fiscal Agent, with the consent of the Funding Lender. In case all or substantially all of the Pledged Revenues and Security shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Fiscal Agent shall be so appointed by the Governmental Lender. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, the Governmental Lender has failed to so appoint a successor Fiscal Agent, then a successor Fiscal Agent shall be appointed by the Funding Lender (from any institution acceptable to the Governmental Lender to serve as a fiscal agent or trustee) with Written Notice thereof delivered to the Governmental Lender, the Borrower, the Servicer, if any, and the retiring Fiscal Agent, and the successor Fiscal Agent so appointed shall, forthwith upon its acceptance of such appointment, become the successor Fiscal Agent and supersedes the successor Fiscal Agent appointed by such receiver or Fiscal Agent. If no successor Fiscal Agent shall have been appointed by the Governmental Lender or the Funding Lender and accepted appointment in the manner hereinafter provided, the Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent.

(e) The retiring Fiscal Agent shall cause Written Notice of each resignation and each removal of the Fiscal Agent and each appointment of a successor Fiscal Agent to be provided to the Funding Lender. Each notice shall include the name of the successor Fiscal Agent and the address of the office of the successor Fiscal Agent.

Section 11.11. Acceptance of Appointment by Successor.

(a) Every successor Fiscal Agent appointed hereunder shall execute, acknowledge and deliver to the Governmental Lender and to the retiring Fiscal Agent an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Fiscal Agent shall become effective and such successor Fiscal Agent, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers and duties of the retiring Fiscal Agent; notwithstanding the foregoing, on request of the Governmental Lender or the successor Fiscal Agent, such retiring Fiscal Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Fiscal Agent upon the provisions herein expressed all the estates, properties, rights and powers of the retiring Fiscal Agent, and shall duly assign, transfer and deliver to such successor Fiscal Agent all property and money held by such retiring Fiscal Agent hereunder. Upon request of any such successor Fiscal Agent, the Governmental Lender shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Fiscal Agent all such estates, properties, rights and powers.

(b) No successor Fiscal Agent shall accept its appointment unless at the time of such acceptance such successor Fiscal Agent shall be qualified and eligible under this Article, to the extent operative.

Section 11.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Fiscal Agent may be merged or with which it may be consolidated, or
any corporation resulting from any merger, conversion or consolidation to which the Fiscal Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Fiscal Agent, shall be the successor of the Fiscal Agent hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notwithstanding the foregoing, any such successor Fiscal Agent shall cause Written Notice of such succession to be delivered to the Funding Lender within 30 days of such succession.

Section 11.13. Appointment of Co-Fiscal Agent. It is the purpose of this Funding Loan Agreement that there shall be no violation of any laws of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Fiscal Agent in such jurisdiction. It is recognized that in case of litigation under this Funding Loan Agreement, the Borrower Loan Agreement, any other Borrower Loan Document or the Regulatory Agreement, and in particular in case of the enforcement of any of them on default, or in case the Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Fiscal Agent or hold title to the properties, in trust, as herein provided, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent appoint an additional individual or institution as a separate or co-fiscal agent. The following provisions of this Section are adopted to these ends.

The Fiscal Agent is hereby authorized to appoint an additional individual or institution as a separate or co-fiscal agent hereunder, upon Written Notice to the Governmental Lender, the Funding Lender and the Borrower, and with the consent of the Governmental Lender and the Funding Lender, but without the necessity of further authorization or consent, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Funding Loan Agreement, any Borrower Loan Document, the Regulatory Agreement or the Borrower Loan Agreement to be exercised by or vested in or conveyed to the Fiscal Agent with respect thereto shall be exercisable by and vest in such separate or co-fiscal agent but only to the extent necessary to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-fiscal agent shall run to and be enforceable by either of them.

Should any instrument in writing from the Governmental Lender be required by the separate fiscal agent or co-fiscal agent appointed by the Fiscal Agent for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request of the Fiscal Agent, be executed, acknowledged and delivered by the Governmental Lender. In case any separate fiscal agent or co-fiscal agent, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate fiscal agent or co-fiscal agent, so far as permitted by law, shall vest in and be exercised by the Fiscal Agent until the appointment of a successor to such separate fiscal agent or co-fiscal agent.
Section 11.14. Loan Servicing. The Governmental Lender and the Fiscal Agent acknowledge that the Funding Lender shall have the right to appoint a Servicer to service and administer the Funding Loan and Borrower Loan, as set forth in a Servicing Agreement. The Funding Lender shall provide Written Notice to the Fiscal Agent of the appointment, termination or replacement of any Servicer. The Governmental Lender and the Fiscal Agent shall not be responsible for monitoring the performance of any Servicer or for any acts or omissions of such Servicer. The Funding Lender may, in its sole discretion, terminate or replace the Servicer.

Section 11.15. No Recourse Against Officers or Employees of Fiscal Agent. No recourse with respect to any claim related to any obligation, duty or agreement contained in this Funding Loan Agreement or any other Funding Loan Document shall be had against any officer or employee, as such, of the Fiscal Agent, it being expressly understood that the obligations, duties and agreements of the Fiscal Agent contained in this Funding Loan Agreement and the other Funding Loan Documents are solely corporate in nature.

Section 11.16. USA Patriot Act Requirements of the Fiscal Agent. To help the government of the United States of America fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Fiscal Agent may request documentation to verify such person’s formation and existence as a legal entity and the identity of the owners or controlling persons thereof. The Fiscal Agent may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent such person or other relevant documentation.

ARTICLE XII.
MISCELLANEOUS

Section 12.1. Notices. All notices, demands, requests and other communications required or permitted to be given by any provision of this Funding Loan Agreement shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, teletypewriter or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

If to the Governmental Lender: Housing Finance Authority of Pinellas County, Florida 26750 U.S. Highway 19 North, Suite 110 Clearwater, Florida 33761 Attention: Executive Director Facsimile: (727) 255-5562
If to Borrower: SP Trail LLC  
5403 W. Gray Street  
Tampa, Florida 33609  
Attention: Scott Seckinger  
Email: sseckinger@sphome.com  
Telephone: (813) 288-6988  
Facsimile: (813) 288-1511

And with copy to: Raymond James Housing Opportunities Fund 37 L.L.C.  
c/o Raymond James Tax Credit Funds, Inc.  
880 Carillon Parkway  
St. Petersburg, Florida 33716  
Attention: Steven J. Kropf, President

And with copy to: Nuyen, Tomtishen and Aoun, P.C.  
2001 Commonwealth Blvd., Suite 300  
Ann Arbor, Michigan 48105  
Attention: Brad M. Tomtishen

And with copy to: Pepple Cantu Schmidt PLLC  
2430 Estancia Blvd., Ste 114  
Clearwater, Florida 33761  
Attention: David O. Cantu  
Email: dcantu@pcslegal.com

If to Funding Lender: Citibank, N.A.  
388 Greenwich Street, 8th Floor  
New York, New York 10013  
Attention: Transaction Management Group  
Deal ID# 24770  
Facsimile: (212) 723-8209

And with copy to: Citibank, N.A.  
325 East Hillcrest Drive, Suite 160  
Thousand Oaks, California 91360  
Attention: Operations Manager/Asset Manager  
Deal ID# 24770  
Facsimile: (805) 557-0924
And if prior to the Conversion Date:

Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Account Specialist
Deal ID# 24770
Facsimile: (212) 723-8209

Following the Conversion Date, with a copy to:

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Deal ID #24770
Facsimile: (215) 328-0305

And a copy of any notices of default sent to:

Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: General Counsel’s Office
Deal ID #24770
Facsimile: (646) 291-5754

If to Fiscal Agent:

U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309
Attention: Corporate Trust Department
Facsimile: (954) 202-2082

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Funding Loan Agreement: (i) three Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by telecopier or facsimile transmission, telex, telegraph, or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day. Any facsimile signature by a Person on a document, notice, demand, request or
communication required or permitted by this Funding Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Funding Loan Agreement may change such party’s address for the purpose of notice, demands, requests and communications required or permitted under this Funding Loan Agreement by providing written notice of such change of address to all of the parties by written notice as provided herein.

Section 12.2. Term of Funding Loan Agreement. This Funding Loan Agreement shall be in full force and effect until all payment obligations of the Governmental Lender hereunder have been paid in full and the Funding Loan has been retired or the payment thereof has been provided for; except that on and after payment in full of the Governmental Lender Note, this Funding Loan Agreement shall be terminated, without further action by the parties hereto.

Section 12.3. Successors and Assigns. All covenants and agreements in this Funding Loan Agreement by the Governmental Lender shall bind its successors and assigns, whether so expressed or not.

Section 12.4. Legal Holidays. In any case in which the date of payment of any amount due hereunder or the date on which any other act is to be performed pursuant to this Funding Loan Agreement shall be a day that is not a Business Day, then payment of such amount or such act need not be made on such date but may be made on the next succeeding Business Day, and such later payment or such act shall have the same force and effect as if made on the date of payment or the date fixed for prepayment or the date fixed for such act, and no additional interest shall accrue for the period after such date and prior to the date of payment.

Section 12.5. Governing Law. This Funding Loan Agreement shall be governed by and shall be enforceable in accordance with the laws of the State.

Section 12.6. Severability. If any provision of this Funding Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Governmental Lender Note or in this Funding Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Governmental Lender or the Funding Lender only to the full extent permitted by law.

Section 12.7. Execution in Several Counterparts. This Funding Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 12.8. Nonrecourse Obligation of the Borrower. Except as otherwise provided in the Borrower Loan Agreement, any obligations of the Borrower under this Funding Loan Agreement are without recourse to the Borrower or to the Borrower’s partners or members, as
the case may be, and the provisions of Section 11.1 of the Borrower Loan Agreement are by this
reference incorporated herein.

Section 12.9. Waiver of Trial by Jury. TO THE MAXIMUM EXTENT PERMITTED
UNDER APPLICABLE LAW, EACH OF BORROWER, THE GOVERNMENTAL LENDER,
THE FISCAL AGENT AND THE FUNDING LENDER (A) COVENANTS AND AGREES NOT
TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS
FUNDING LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT
IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY
WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS
NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY
GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF
COMPETENT LEGAL COUNSEL.

Section 12.10. Electronic Transactions.

(a) The transactions described in this Funding Loan Agreement may be
conducted and the related documents may be stored by electronic means. Copies, telecopies,
facsimiles, electronic files and other reproductions of original executed documents shall be
deemed to be authentic and valid counterparts of such original documents for all purposes,
including the filing of any claim, action or suit in the appropriate court of law.

(b) For purposes of this subsection (b), the Fiscal Agent shall have the right to
accept and act upon instructions, including funds transfer instructions ("Instructions") given
pursuant to this Funding Loan Agreement and delivered using Electronic Means; provided,
however, that Borrower, the Governmental Lender or and such other party giving such
instruction (the "Sender") shall provide to the Fiscal Agent an incumbency certificate listing
officers with the authority to provide such Instructions ("Authorized Officers") and containing
specimen signatures of such Authorized Officers, which incumbency certificate shall be amended
by the Sender whenever a person is to be added or deleted from the listing. "Electronic Means"
shall mean the following communications methods: S.W.I.F.T., email, facsimile transmission,
secure electronic transmission containing applicable authorization codes, passwords and/or
authentication keys issued by the Fiscal Agent, or another method or system specified by the
Fiscal Agent as available for use in connection with its services hereunder. If the Sender elects to
give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion
elects to act upon such Instructions, the Fiscal Agent’s understanding of such Instructions shall
be deemed controlling. The Borrower, the Governmental Lender and any other Sender
understand and agree that the Fiscal Agent cannot determine the identity of the actual sender of
such Instructions and that the Fiscal Agent shall conclusively presume that directions that
purport to have been sent by an Authorized Officer listed on the incumbency certificate provided
to the Fiscal Agent have been sent by such Authorized Officer. Each Sender shall be responsible
for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that
the Sender and all Authorized Officers are solely responsible to safeguard the use and
confidentiality of applicable user and authorization codes, passwords and/or authentication keys
upon receipt by the Sender. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Borrower for use by the Borrower, the Governmental Lender and the other parties who may give instructions to the Fiscal Agent under this Funding Loan Agreement; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 12.11. Reference Date. This Funding Loan Agreement is dated for reference purposes only as of the 1st day of [April], 2018.

[Remainder of page left intentionally blank]
IN WITNESS WHEREOF, the Funding Lender, the Fiscal Agent and the Governmental Lender have caused this Funding Loan Agreement to be duly executed as of the date first written above.

CITIBANK, N.A., as Funding Lender

By: ________________________________
Name: Barry Krinsky
Title: Authorized Signatory

[Signature page to Funding Loan Agreement – Woodlawn Trail Apartments]
U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: ____________________________
Name: Scott Schuhle
Title: Vice President

[Signature page to Funding Loan Agreement – Woodlawn Trail Apartments]
HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, as Governmental Lender

By: ______________________________
Name: Casey Cane
Title: Chairman

ATTEST:

By: ______________________________
Assistant Secretary/Executive Director

[Signature page to Funding Loan Agreement – Woodlawn Trail Apartments]
EXHIBIT A

FORM OF GOVERNMENTAL LENDER NOTE

THIS GOVERNMENTAL LENDER NOTE MAY BE OWNED ONLY BY AN APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT, AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS GOVERNMENTAL LENDER NOTE (A) REPRESENTS THAT IT IS AN APPROVED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL LENDER NOTE OR ANY INTEREST HEREIN TO ANOTHER APPROVED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE FUNDING LOAN AGREEMENT.

HOUSING FINANCE AUTHORITY OF PINELLS COUNTY (FLORIDA)
MULTIFAMILY HOUSING REVENUE NOTE,
SERIES 2018
(WOODLAWN TRAIL APARTMENTS)

DATED ____________, 2018

$[8,200,000]

FOR VALUE RECEIVED, the undersigned HOUSING FINANCE AUTHORITY OF PINELLS COUNTY (FLORIDA) ("Obligor") promises to pay to the order of CITIBANK, N.A. (the "Funding Lender") or any permitted transferee (each a "Holder") the principal sum of [Eight Million Two Hundred Thousand] and 00/100 Dollars $[8,200,000]*, on ____________, 20__, or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Funding Loan Agreement, dated as of [April] 1, 2018 (the "Funding Loan Agreement"), among Obligor, U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") and the Funding Lender, an amount in immediately available funds sufficient to pay the principal amount of and Prepayment Premium, if any, on this Governmental Lender Note then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of the Borrower Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on the Funding Loan in accordance with this Governmental Lender Note, the principal amount due hereunder shall be reduced to the extent of the principal amount of this Governmental Lender Note so paid. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Funding Loan Agreement.
Obligor shall pay to the Holder on or before each date on which interest on the Funding Loan is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on this Governmental Lender Note then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement.

The Funding Loan and this Governmental Lender Note are pass-through obligations relating to a construction and permanent loan (the "Borrower Loan") made by Obligor from proceeds of the Funding Loan to SP Trail LLC, a Florida limited liability company, as borrower (the "Borrower"), under that certain Borrower Loan Agreement, dated as of [April] 1, 2018 (as the same may be modified, amended or supplemented from time to time, the "Borrower Loan Agreement"), between the Obligor and the Borrower, evidenced by the Borrower Note (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Borrower Note for complete payment and prepayment terms of the Borrower Note, payments on which are passed-through under the Governmental Lender Note.

This Governmental Lender Note is a limited obligation of the Obligor, payable solely from the Pledged Revenues and other funds and moneys and Security pledged and assigned under the Funding Loan Agreement. None of the Governmental Lender, the State, or any political subdivision thereof (except the Governmental Lender, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth herein and in the Funding Loan Agreement, and none of the Funding Loan or the Governmental Lender Note or any of the Governmental Lender’s agreements or obligations with respect to the Funding Loan or this Governmental Lender Note shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Governmental Lender has no taxing power.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement or in the Borrower Loan Agreement.

This Governmental Lender Note is subject to the express condition that at no time shall interest be payable on this Governmental Lender Note or the Funding Loan at a rate in excess of the Maximum Rate provided in the Funding Loan Agreement; and Obligor shall not be obligated or required to pay, nor shall the Holder be permitted to charge or collect, interest at a rate in excess of such Maximum Rate. If by the terms of this Governmental Lender Note or of the Funding Loan Agreement, Obligor is required to pay interest at a rate in excess of such Maximum Rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such Maximum Rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.
Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Lender Note is subject to all of the terms, conditions, and provisions of the Funding Loan Agreement, including those respecting prepayment and the acceleration of maturity.

If there is an Event of Default under the Funding Loan Documents, then in any such event and subject to the requirements set forth in the Funding Loan Agreement, the Holder may declare the entire unpaid principal balance of this Governmental Lender Note and accrued interest, if any, due and payable at once. All of the covenants, conditions and agreements contained in the Funding Loan Documents are hereby made part of this Governmental Lender Note.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Governmental Lender Note or the Funding Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Holder under this Governmental Lender Note and the Funding Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Holder at law or in equity or under any other agreement.

Obligor shall pay all costs of collection on demand by the Holder, including without limitation, reasonable attorneys’ fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Funding Loan Agreement.

The transfer of this Governmental Lender Note is subject to certain restrictions as provided in the Funding Loan Agreement and described below and to registration by the Holder in person or by the Holder’s attorney hereof upon surrender of this Governmental Lender Note at the principal corporate trust office of the Fiscal Agent, duly endorsed or accompanied by a written instrument or instruments of transfer in form satisfactory to the Fiscal Agent and executed and with guaranty of signature by the Holder hereof or his, her or its attorney duly authorized in writing, containing written instructions as to the details of the registration of the transfer of this Governmental Lender Note. Thereupon the Obligor shall execute (if necessary) and the Fiscal Agent shall authenticate and deliver in the name of the transferee or transferees (but not registered in blank or to "bearer" or a similar designation), a new Governmental Lender Note.

This Governmental Lender Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Holder of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Holder of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor’s failure to pay such amount then due shall be and
continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Holder to any action of Obligor which is subject to consent or approval of the Holder hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

OBLIGOR:

[SEAL]  
HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

By:________________________________________
Name: Casey Cane
Title: Chairman

ATTEST:

By:________________________________________
Assistant Secretary/Executive Director
CERTIFICATE OF AUTHENTICATION

This Governmental Lender Note is the Governmental Lender Note described in the within mentioned Funding Loan Agreement.

Date of Authentication: ______________, 2018

U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent

By: ________________________________
Name: Scott Schuhle
Title: Vice President
EXHIBIT B

FORM OF REQUIRED TRANSFEREE REPRESENTATIONS

[_______________, 20__]

Housing Finance Authority of
Pinellas County, Florida
26750 U.S. Highway 19 North
Suite 110
Clearwater, Florida 33761

U.S. Bank National Association
550 West Cypress Creek Road
Suite 380
Ft. Lauderdale, Florida 33309

Re: Loan in the principal amount of $[8,200,000] from CITIBANK, N.A. (the "Funding Lender") to Housing Finance Authority of Pinellas County (Florida) (the "Governmental Lender") under a Funding Loan Agreement dated as of [April] 1, 2018 (the "Funding Loan Agreement"), among the Funding Lender, U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") and the Governmental Lender (the "Funding Loan") evidenced by that certain Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) dated __________, 2018 (the "Governmental Lender Note")

Ladies and Gentlemen:

The Funding Lender has made the Funding Loan to the Governmental Lender which is evidenced by the Governmental Lender Note. As the holder (the "Holder") of the Governmental Lender Note executed and delivered under the Funding Loan Agreement, the undersigned hereby represents that:

1. The Holder has sufficient knowledge and experience in financial and business matters with respect to the evaluation of residential real estate developments such as the Project to be able to evaluate the risk and merits of the investment represented by the Governmental Lender Note. We are able to bear the economic risks of such investment.

2. The Holder acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Holder has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Project, the use of proceeds of the Governmental Lender Note and the security therefor so that, as a reasonable lender, the Holder has been able to
make its decision to make the Funding Loan and to acquire the Governmental Lender Note. The Holder acknowledges that it has not relied upon the addressee hereof for any representations, opinions or information in connection with the Holder’s purchase of the Governmental Lender Note. In addition, the Funding Lender has not relied upon the use of any offering memorandum, placement memorandum or any other similar document with regards to its decision to make the Funding Loan and to acquire the Governmental Lender Note. The Holder is making its decision to make the Funding Loan to the Governmental Lender directly through its credit review and due diligence concerning the Project. The undersigned is acquiring the Governmental Lender Note directly from the Governmental Lender and not through a placement of the Governmental Lender Note with the Holder through any financial institution acting as an intermediary between the Governmental Lender and the Holder.

3. The Holder is an Approved Transferee (as defined in the Funding Loan Agreement).

4. The Holder acknowledges that it is making the Funding Loan and acquiring the Governmental Lender Note for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Governmental Lender Note; provided, however, that the Holder may transfer the Governmental Lender Note or any portion thereof in accordance with Section 2.5 of the Funding Loan Agreement.

5. The Holder understands that the Governmental Lender Note is a limited obligation of the Governmental Lender; payable solely from funds and moneys pledged and assigned under the Funding Loan Agreement, and that the liabilities and obligations of the Governmental Lender with respect to the Governmental Lender Note are expressly limited as set forth in the Funding Loan Agreement and related documents.

6. The Holder acknowledges that the Fiscal Agent is not acting or serving in a trust capacity under the Funding Loan Agreement.

7. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Funding Loan Agreement.

[______________________________], as Holder

By:_____________________________________
Name: _________________________________
Title: _________________________________
EXHIBIT C

FORM OF WRITTEN REQUISITION
(Project Fund)

U.S. Bank National Association  Date:
550 West Cypress Creek Road  No.:
Suite 380  Account(s):
Ft. Lauderdale, Florida 33309

Re:  $[8,200,000] Housing Finance Authority of Pinellas County (Florida) Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) dated ____________, 2018 (the "Governmental Lender Note")

This requisition is being delivered to you in accordance with the Funding Loan Agreement, dated as of [April] 1, 2018 (the "Funding Loan Agreement"), among Citibank, N.A. (the "Funding Lender"), the Housing Finance Authority of Pinellas County (Florida) (the "Governmental Lender") and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") pursuant to which the above-referenced note (the "Governmental Lender Note") were issued. Capitalized terms not defined herein shall have the meanings assigned thereto in the Funding Loan Agreement.

1. You are requested to disburse funds from the Project Fund and/or the subaccount(s) therein identified below, pursuant to Section 7.6 of the Funding Loan Agreement in the amount(s), to the person(s) and for the purpose(s) set forth on Schedule I attached hereto and incorporated herein by reference. Such disbursements are to be made from the Project Fund and/or the subaccount(s) therein, as identified below, in the following amounts:

   PROJECT FUND:   $___________

   BORROWER EQUITY ACCOUNT:   $___________

2. The undersigned certifies that:

   (i) there has been received no notice (a) of any lien, right to lien or attachment upon, or claim affecting the right of the payee to receive payment of, any of the moneys payable under such requisition to any of the persons, firms or corporations named therein, and (b) that any materials, supplies or equipment covered by such requisition are subject to any lien or security interest, or if any notice of any such lien, attachment, claim or security interest has been received, such lien, attachment, claim or security interest has been released, discharged, insured or bonded over or will be released, discharged, insured or bonded over upon payment of the requisition;
(ii) this Requisition contains no items representing payment on account of any percentage entitled to be retained at the date of the certificate;

(iii) the obligation stated on this Requisition has been incurred in or about the acquisition, construction or equipping of the Project, each item is a proper charge against the Project Fund, and the obligation has not been the basis for a prior requisition that has been paid;

(iv) this Requisition contains no items representing any Closing Costs or any other amount constituting an issuance cost under Section 147(g) of the Code and payment of the costs referenced herein will not violate any representation, warranty or covenant of the Borrower in the Borrower Loan Agreement, the Regulatory Agreement or the Tax Agreement; [Applies only to the Funding Loan Proceeds]

(v) not less than 95% of the sum of: (a) the amounts requisitioned by this Requisition to be funded from the Project Fund plus (b) all amounts previously disbursed from the Project Fund have been or will be applied by the Borrower to pay Qualified Project Costs; [Applies only to the Funding Loan Proceeds]

(vi) the Borrower acknowledges that fees, charges or profits (including, without limitation, developer fees) payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code) are not deemed to be Qualified Project Costs; and [Applies only to the Funding Loan Proceeds]

(vii) as of the date hereof, no event or condition has happened or is happening or exists that constitutes, or that with notice or lapse of time or both, would constitute, an Event of Default under the Funding Loan Agreement or under the Borrower Loan Agreement.
Dated: ______________, 20__

BORROWER:

SP TRAIL LLC, a Florida limited liability company

By: SP Trail Manager LLC, a Florida limited liability company, its Manager

By: ____________________________
Name: J. David Page
Title: Manager

Print name: ______________________

Print name: ______________________
FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY (FLORIDA), a public body corporate and politic and duly organized and existing under the laws of the State of Florida, the maximum principal sum of EIGHT MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS ($8,200,000), with interest on the unpaid principal balance from time to time outstanding at the annual rate as set forth on Schedule A. The terms of this Note incorporate the Modifications, if any, set forth on Schedule C to this Note.

1. Defined Terms. As used in this Note, the following terms shall have the following definitions:

(a) "Beneficiary Parties" shall have the meaning set forth in the Security Instrument.

(b) "Borrower Loan" means the loan evidenced by this Note, the proceeds of which shall be disbursed in accordance with the Borrower Loan Agreement.

(c) "Borrower Loan Agreement" means that certain Borrower Loan Agreement dated as of April 1, 2018, by and between Borrower and Governmental Lender.

(d) "Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

(e) "Closing Date" shall mean the date of this Note.

(f) "Conditions to Conversion" shall have the meaning given to such term in the Construction Funding Agreement.

(g) "Construction Funding Agreement" shall mean that certain Construction Funding Agreement dated as of April 1, 2018, by and between Borrower and Funding Lender.

(h) "Conversion Date" shall have the meaning given to such term in the Borrower Loan Agreement.

(i) "Default Rate" shall have the meaning set forth in Section 8 of this Note.

(j) "First Payment Date" means the first Business Day of the month following the month in which the first disbursement of Borrower Loan proceeds is made in accordance with the Borrower Loan Agreement, or, if the first disbursement of Borrower Loan proceeds is made after the 20th day of a month, means the first Business
Day of the second month following the month in which the first disbursement of Borrower Loan proceeds is made in accordance with the Borrower Loan Agreement.

(k) “Funding Lender” means Citibank, N.A., a national banking association, and its successor and assigns.

(l) “Governmental Lender” means Housing Finance Authority of Pinellas County (Florida), a public body, corporate and politic duly organized and existing under the laws of the State of Florida.

(m) “Indebtedness” means the principal of, interest on, and any other amounts due at any time under, this Note, the Security Instrument or any other Borrower Loan Document, including prepayment premiums, late charges, default interest, and advances to protect the security of the Security Instrument as described in Section 12 of the Security Instrument.

(n) “Interest Rate” shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(o) “Lender” means the Funding Lender, as assignee of this Note, and any subsequent holder of this Note.

(p) “Loan Month” means the period commencing on a Loan Payment Date and ending on the day preceding the next succeeding Loan Payment Date (without adjustment in either case for Business Day conventions).

(q) “Loan Payment Date” means the first Business Day of each month, commencing on the First Payment Date.

(r) “Mandatory Prepayment Date” means the fifteen (15) year anniversary of the Conversion Date.

(s) “Maturity Date” means the earlier to occur of (i) November 1, 2050, or (ii) any earlier date on which the unpaid principal balance of this Note becomes due and payable, by acceleration or otherwise.

(t) “Maximum Permanent Period Amount” shall have the meaning set forth in the Construction Funding Agreement.

(u) “Maximum Rate” means the lesser of (i) twelve percent (12%) per annum or (ii) the maximum interest rate that may be paid on the Borrower Loan under the laws of the Property Jurisdiction.

(v) “Minimum Permanent Period Amount” shall have the meaning set forth in the Construction Funding Agreement.

(w) “Note” means this Multifamily Note.
(x) “Note Interest” shall have the meaning set forth in Paragraph 1 of Schedule A to this Note.

(y) “Permanent Period Amount” shall have the meaning set forth in the Construction Funding Agreement.

(z) “Prepayment Premium Period” means the period commencing on the date of this Note and ending on the fourteen and one-half (14.5) year anniversary of the Conversion Date.

(aa) “Property Jurisdiction” shall have the meaning set forth in the Security Instrument.

(bb) “Servicer Remittance Date” means two (2) Business Days prior to each Loan Payment Date.

All other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Borrower Loan Agreement.

2. Method of Payment. All payments due under this Note shall be payable to Servicer, or, if there is no Servicer, to the Fiscal Agent, or its successor. Each such payment shall be made by wire transfer of immediately available funds in accordance with wire transfer instructions that the Fiscal Agent or Servicer shall supply by Written Notice to the Borrower from time to time.

3. Payment of Principal and Interest. Principal and interest shall be paid as follows:

(a) Borrower shall pay all amounts due under this Note at the times and in the amounts set forth herein and in the Borrower Loan Agreement. Borrower shall make its payments under this Note in immediately available funds.

(b) Commencing on the First Payment Date and continuing on each Loan Payment Date thereafter until and including the Conversion Date, Borrower shall pay monthly payments of interest only, at the Interest Rate set forth on Schedule A attached hereto, in successive monthly installments. Such payments shall be made to the Servicer by 11:00 a.m., New York City time, or to the Fiscal Agent by 2:00 p.m., New York City time, on each Loan Payment Date.

(c) Commencing on the first Loan Payment Date following the Conversion Date, and continuing on each Loan Payment Date thereafter until and including the Maturity Date, Borrower shall pay monthly payments of principal and interest as set forth on Schedule A attached hereto, in successive monthly installments. Such payments shall be made to the Servicer by 2:00 p.m., New York City time, on each Servicer Remittance Date.

(d) Any accrued interest remaining past due may, at Lender’s discretion, be added to and become part of the unpaid principal balance and shall bear interest at the
rate or rates specified in this Note, and any reference below to “accrued interest” shall refer to accrued interest that has not become part of the unpaid principal balance.

(e) Borrower shall pay all unpaid principal of and interest on this Note on the Maturity Date and any other amounts due under subsection 3(a) hereof.

(f) Any regularly scheduled monthly installment of principal and interest that is received by Lender before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest due.

(g) Borrower shall make all payments of principal and interest under this Note without relief from valuation and appraisement laws.

(h) Borrower acknowledges that the calculation of all interest payments shall be made by the Lender and shall be final and conclusive, absent manifest error.

4. **Application of Payments.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable under this Note in any manner and in any order determined by Lender, in Lender’s discretion. Borrower agrees that neither Lender’s acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender’s application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security.** The Indebtedness is secured by, among other things, the Security Instrument, and reference is made to the Security Instrument for other rights of Lender as to collateral for the Indebtedness.

6. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, the prepayment premium payable under Section 10, if any, and all other amounts payable under this Note and any other Borrower Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower (except if notice is required by applicable law, then after such notice). Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Late Charge.** If any amount payable under this Note or under the Security Instrument or any other Borrower Loan Document is not received by Lender when such amount is due (unless applicable law requires a longer period of time before a late charge may be imposed, in which event, such longer period shall be substituted), Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5.0%) of such amount (unless applicable law requires a lesser amount be charged, in which event such lesser amount shall be substituted). Notwithstanding the foregoing, with regard to each regularly scheduled monthly installment of principal and/or interest payable pursuant to this Note, such late charge shall not become due and payable to Lender so long as the Borrower makes such payment on or prior to the tenth (10th) calendar day following the date upon which such payment is due (or the Business Day immediately following such tenth (10th) calendar day if such tenth (10th) calendar day is not a Business Day). Any accrued but unpaid late charges shall be added
to and become part of the unpaid principal balance of this Note, shall bear interest at the rate or rates specified in this Note, and shall be secured by the Security Instrument and the other applicable Borrower Loan Documents. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Borrower Loan, and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Section represents a fair and reasonable estimate, taking into account all circumstances existing on the Closing Date, of the additional expenses Lender will incur by reason of such late payment, and such late charge shall be deemed liquidated damages and not additional interest or a penalty. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 8. Notwithstanding anything to the contrary in any other Borrower Loan Document, if a Servicer has been appointed by Lender, any late charges payable hereunder shall not be remitted to Lender and shall instead be paid directly to Servicer, who shall apply such late charges in accordance with the terms of the applicable servicing agreement. Any action regarding the collection of a Late Charge will be without prejudice to any other rights, and shall not act as a waiver of any other rights that the Servicer or the Lender may have as provided herein, in the other Borrower Loan Documents, or at law or in equity.

8. **Default Rate.** So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate per annum (the “Default Rate”) equal to the lesser of the Maximum Rate or a rate equal to the Interest Rate plus four percent (4%), in each case compounded monthly (computed in accordance with Schedule A in the same manner in which Note Interest is computed). If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate until the unpaid principal balance and accrued interest are paid in full. Borrower also acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Borrower Loan, that, during the time that any monthly installment under this Note is delinquent, Lender will incur additional costs and expenses arising from its loss of the use of the money due and from the adverse impact on Lender’s ability to meet its other obligations and to take advantage of other investment opportunities, and that it is extremely difficult and impractical to determine those additional costs and expenses. Borrower also acknowledges that, during the time that any monthly installment under this Note is delinquent or any other Event of Default has occurred and is continuing, Lender’s risk of nonpayment of this Note will be materially increased and Lender is entitled to be compensated for such increased risk. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate as provided above represents a fair and reasonable estimate, taking into account all circumstances existing on the Closing Date, of the additional costs and expenses Lender will incur by reason of Borrower’s delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.
9. **Personal Liability of Borrower.**

(a) Prior to the Conversion Date, Borrower shall be personally liable under this Note, the Security Instrument and the other Borrower Loan Documents for (1) the repayment of the Indebtedness, including, without limitation, all amounts due under this Note, and (2) the performance of all other obligations of Borrower under this Note and the other Borrower Loan Documents.

(b) On and after the Conversion Date, except as otherwise provided in this Section 9, neither Borrower nor any of its partners, members and/or managers shall have any personal liability under this Note, the Security Instrument or any other Borrower Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Borrower Loan Documents, and Lender’s only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be Lender’s exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness. This limitation on Borrower’s liability shall not limit or impair Lender’s enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of Borrower.

(c) Borrower shall at all times be personally liable to Lender for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by Lender (the “Losses”) as a result of (1) failure of Borrower to pay to Lender upon demand after an Event of Default all Rents to which Lender is entitled under Section 3(a) of the Security Instrument and the amount of all security deposits collected by Borrower from tenants then in residence; (2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by the Security Instrument; (3) failure of Borrower to comply with Section 14(d) or (e) of the Security Instrument relating to the delivery of books and records, statements, schedules, and reports; (4) fraud or material misrepresentation by Borrower or Guarantor or any general partner, managing member, manager, officer, director, partner, member, agent or employee of Borrower or Guarantor in connection with the application for or creation of the Indebtedness or any request for any action or consent by or on behalf of Lender; (5) failure to apply Rents, first, to the payment of reasonable operating expenses (other than property management fees that are not currently payable pursuant to the terms of an Assignment of Management Agreement or any other Borrower Loan Document) and then to amounts (“Debt Service Amounts”) payable under this Note, the Security Instrument or any other Borrower Loan Document (except that Borrower will not be personally liable (i) to the extent that Borrower lacks the legal right to direct the disbursement of such sums because of a bankruptcy, receivership or similar judicial proceeding, or (ii) with respect to Rents that are distributed on account of any calendar year if Borrower has paid all operating expenses and Debt Service Amounts for that calendar year); (6) failure of Borrower to comply with the provisions of Section 17(a) of the Security Instrument prohibiting the commission of waste or allowing the impairment or deterioration of the Mortgaged Property; or (7) failure of Borrower to obtain and maintain any local real estate tax abatement or exemption required under the Security Instrument, or the reduction, revocation, cancellation or other termination of such abatement or exemption, as a result of any act or
omission by or on behalf of Borrower, Guarantor or any of their respective partners, members, managers, directors, officers, agents, employees or representatives.

(d) For purposes of determining Borrower’s personal liability under this Section 9, all payments made by Borrower with respect to the Indebtedness and all amounts received by Lender from the enforcement of its rights under the Security Instrument shall be applied first to the portion of the Indebtedness for which Borrower has no personal liability.

(e) Borrower shall at all times be personally liable to Lender for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default: (1) Borrower’s acquisition of any property or operation of any business not permitted by Section 32 of the Security Instrument; or (2) a Transfer (including, but not limited to, a lien or encumbrance) that is an Event of Default under Section 21 of the Security Instrument, other than a Transfer consisting solely of the involuntary removal or involuntary withdrawal of a general partner in a limited partnership or a manager in a limited liability company; or (3) a Bankruptcy Event, as defined in the Security Instrument (but only if the Bankruptcy Event occurs with the consent or active participation of Borrower, its Managing Member, Guarantor or any Borrower Affiliate.

(f) In addition to the Borrower’s personal liability pursuant to the other provisions of this Note, Borrower shall at all times be personally liable to Lender for (1) the performance of all of Borrower’s obligations under Section 18 of the Security Instrument (relating to environmental matters) and the Agreement of Environmental Indemnification; (2) the costs of any audit under Section 14(d) of the Security Instrument; and (3) any costs and expenses incurred by Lender in connection with the collection of all amounts for which Borrower is personally liable under this Section 9, including out of pocket expenses and reasonable fees of attorneys and expert witnesses and the costs of conducting any independent audit of Borrower’s books and records to determine the amount for which Borrower has personal liability.

(g) To the extent that Borrower has personal liability under this Section 9, Lender may exercise its rights against Borrower personally without regard to whether Lender has exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to Lender under this Note, the Security Instrument, any other Borrower Loan Document or applicable law. For purposes of this Section 9, the term “Mortgaged Property” shall not include any funds that (1) have been applied by Borrower as required or permitted by the Security Instrument prior to the occurrence of an Event of Default or (2) Borrower was unable to apply as required or permitted by the Security Instrument because of a bankruptcy, receivership, or similar judicial proceeding. To the fullest extent permitted by applicable law, in any action to enforce Borrower’s personal liability under this Section 9, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

(h) Nothing herein or in the other Borrower Loan Documents shall be deemed to be a waiver of any right which the Lender or the Servicer may have under Sections
506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as such sections may be amended, or corresponding or superseding sections of the Bankruptcy Amendments and Federal Judgeship Act of 1984, to file a claim for the full amount due to the Lender and the Servicer hereunder and under the other Borrower Loan Documents or to require that all collateral shall continue to secure the amounts due hereunder and under the other Borrower Loan Documents.

10. **Prepayments.**

(a) In connection with any prepayment (i.e., any receipt by Lender of principal, other than principal required to be paid in monthly installments pursuant to Section 3, prior to the Maturity Date) made under this Note, whether voluntary or involuntary, a prepayment premium shall be payable to the extent provided below. EXCEPT AS OTHERWISE PERMITTED HEREIN, NO VOLUNTARY PREPAYMENTS OF THIS NOTE, IN WHOLE OR IN PART, SHALL BE PERMITTED.

(b) Prior to the Conversion Date, Borrower may voluntarily prepay a portion of this Note to an amount not less than the Maximum Permanent Period Amount without penalty or premium. Any voluntary prepayment shall be made upon not less than thirty (30) days prior written notice to Servicer. If Borrower voluntarily prepaes a portion of this Note which causes the principal balance of this Note to be less than the Maximum Permanent Period Amount, a prepayment premium shall be payable which is equal to the greater of (i) the amount calculated pursuant to Schedule B on the portion of the prepayment of this Note that reduces the principal balance of this Note to an amount less than the Maximum Permanent Period Amount or (ii) one percent (1%) of the portion of the prepayment of this Note that reduces the principal balance of this Note to an amount less than the Maximum Permanent Period Amount; provided, however, that Borrower may not prepay any portion of this Note which would cause the principal balance of this Note to be less than the Minimum Permanent Period Amount.

(c) If a mandatory prepayment of this Note is required pursuant to Section 3.3(a) of the Borrower Loan Agreement, a prepayment premium shall be payable which is equal to the greater of (i) the amount calculated pursuant to Schedule B on the portion of the prepayment of this Note that reduces the principal balance of this Note to an amount less than ninety percent (90%) of the Maximum Permanent Period Amount or (ii) one percent (1%) of the portion of the prepayment of this Note that reduces the principal balance of this Note to an amount less than ninety percent (90%) of the Maximum Permanent Period Amount.

(d) After the Conversion Date, Borrower may voluntarily prepay all (but not less than all) of the unpaid principal balance of this Note on any Loan Payment Date if: (i) Borrower has given Lender prior Written Notice of its intention to make such prepayment at least thirty (30) days prior to the proposed prepayment date (or such shorter time as agreed to by Lender in its sole discretion) and (ii) Borrower pays (A) the entire unpaid principal balance of this Note, (B) all accrued interest, (C) if applicable, the prepayment premium calculated pursuant to Schedule B, and (D) all other sums due
Lender at the time of such prepayment. If Lender, in Lender’s sole and absolute discretion, agrees in writing to waive the foregoing provisions and allow any prepayment that is not permitted hereunder, a prepayment premium calculated pursuant to Schedule B shall be due and payable by Borrower on the amount of principal being prepaid. In connection with any prepayment pursuant to this Section 10(d), the Borrower shall wire transfer the amount required hereunder in immediately available funds by no later than 12:00 p.m., New York City time, on the date of prepayment. For all purposes including the accrual of interest, any prepayment received by Lender on any day other than the last calendar day of a Loan Month shall be deemed to have been received on the last calendar day of such Loan Month.

(e) Upon Lender’s exercise of any right of acceleration under this Note, Borrower shall pay to Lender, in addition to the entire unpaid principal balance of this Note outstanding at the time of the acceleration, (i) all accrued interest and all other sums due Lender, and (ii) if applicable, the prepayment premium calculated pursuant to Schedule B.

(f) Any application by Lender of any collateral or other security to the repayment of any portion of the unpaid principal balance of this Note in the absence of acceleration shall be deemed to be a partial prepayment by Borrower, requiring the payment to Lender by Borrower of a prepayment premium, calculated pursuant to Schedule B.

(g) Notwithstanding the foregoing provisions, a prepayment premium equal to the greater of (i) the amount calculated pursuant to Schedule B on ninety percent (90%) of the Maximum Permanent Period Amount, or (ii) one percent (1.0%) of ninety percent (90%) of the Maximum Permanent Period Amount, shall be payable with respect to any mandatory prepayment in full of the Borrower Loan in accordance with the Borrower Loan Agreement, based on a determination by Lender that the Permanent Period Amount is less than the Minimum Permanent Period Amount or based on a failure of Borrower to satisfy the Conditions to Conversion on or before the Outside Conversion Date as a result of the failure of the Mortgaged Property to achieve 90% physical occupancy under acceptable leases for the 3-month period preceding the Permanent Period.

(h) The Borrower shall prepay the entire outstanding principal balance of this Note, at the direction of the Lender, at a price equal to the outstanding principal balance of this Note, plus (i) accrued interest and any other amounts payable under this Note or the Borrower Loan Agreement through the date of prepayment, and (ii) if applicable, the prepayment premium calculated pursuant to Schedule B, upon the occurrence of any event or condition described below:

1. no later than the day before (a) any sale of the Project, restructuring of the Borrower or any other event that would cause or be deemed to cause an assumption of obligations of an unrelated party for purposes of Section 1.150-1(d)(2) of the Regulations (any such event referred to herein as a “Transfer”) which Transfer would occur within six months of a “refinancing” (as

Woodlawn Trail Apartments
contemplated by such Regulation), or (b) any “refinancing” that would occur within six months of a Transfer; or

(2) in whole, upon a Determination of Taxability.

In connection with any such prepayment, the Borrower shall wire transfer immediately available funds by no later than 12:00 p.m., New York City time, on the date fixed by the Lender, which date shall be communicated by the Lender in writing to the Borrower.

(i) The Borrower shall prepay the outstanding principal balance of this Note at the direction of the Lender, in whole or in part, at a price equal to the amount of principal being prepaid plus accrued interest and any other amounts payable under this Note or the other Borrower Loan Documents, upon the occurrence of any event or condition described below:

(1) in whole or in part, if the Mortgaged Property shall have been damaged or destroyed to the extent that it is not practicable or feasible to rebuild, repair or restore the damaged or destroyed property within the period and under the conditions described in the Security Instrument following such event of damage or destruction; or

(2) in whole or in part, if title to, or the use of, all or a portion of the Mortgaged Property shall have been taken under the exercise of the power of eminent domain by any Governmental Authority which results in a prepayment of this Note under the conditions described in the Security Instrument; or

(3) in whole or in part, to the extent that insurance proceeds or proceeds of any condemnation award with respect to the Mortgaged Property are not applied to restoration of the Mortgaged Property in accordance with the provisions of the Security Instrument.

In connection with any such prepayment, the Borrower shall wire transfer immediately available funds by no later than 12:00 p.m., New York City time, on the date fixed by the Lender, which date shall be communicated by the Lender in writing to the Borrower. To the extent that the Borrower receives any insurance proceeds or condemnation awards that are to be applied to the prepayment of this Note, such amounts shall be applied to the prepayment of this Note. No prepayment premium shall be payable with respect to any prepayment required by this Section 10(i).

(j) Any permitted or required prepayment of less than the unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender agrees otherwise in writing.

(k) Borrower recognizes that any prepayment of the unpaid principal balance of this Note, whether voluntary, involuntary or resulting from a default by Borrower, will result in Lender’s incurring loss, including reinvestment loss, additional expense and
frustration or impairment of Lender’s ability to meet its commitments to third parties. Borrower agrees to pay to Lender upon demand damages for the detriment caused by any prepayment, and agrees that it is extremely difficult and impractical to ascertain the extent of such damages. Borrower therefore acknowledges and agrees that the formula for calculating prepayment premiums set forth on Schedule B represents a reasonable estimate of the damages Lender will incur because of a prepayment.

(l) Borrower further acknowledges that the prohibition of voluntary prepayment and the prepayment premium provisions of this Note are a material part of the consideration for the Borrower Loan, and acknowledges that the terms of this Note are in other respects more favorable to Borrower as a result of Borrower’s voluntary agreement to such provisions.

(m) Notwithstanding anything herein to the contrary, Borrower shall prepay this Note, together with all amounts due under the Borrower Loan Documents, (i) at Lender’s option, in Lender’s sole discretion, in full or in part based on the calculation of the Permanent Period Amount in accordance with the terms and provisions of the Borrower Loan Agreement, and (ii) in full on the Mandatory Prepayment Date.

(n) Any prepayment premium payable hereunder shall be remitted to Servicer, or if a Servicer has not been appointed by Lender, to Lender.

11. **Costs and Expenses.** To the fullest extent allowed by applicable law, Borrower shall pay all expenses and costs, including, without limitation, out-of-pocket expenses and reasonable fees of attorneys (including, without limitation, in-house attorneys) and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Borrower Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding. For purposes of Section 9(f) and this Section 11, attorneys’ out of pocket expenses shall include, but are not limited to, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses.

12. **Forbearance.** Any forbearance by Lender in exercising any right or remedy under this Note, the Security Instrument, or any other Borrower Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender’s right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower’s obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

13. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for
payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower and all endorsers and guarantors of this Note and all other third party obligors.

14. **Borrower Loan Charges.** Neither this Note nor any of the other Borrower Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Borrower Loan is interpreted so that any interest or other charge provided for in any Borrower Loan Document, whether considered separately or together with other charges provided for in any other Borrower Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

15. **Obligations of the Borrower Absolute and Unconditional.** Subject to Section 9, the obligations of the Borrower to make all payments required under this Note and the other Borrower Loan Documents on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder and under the other Borrower Loan Documents shall be primary, absolute, unconditional and irrevocable, and shall be paid or performed strictly in accordance with the terms of this Note and the other Borrower Loan Documents under any and all circumstances, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower’s title to the Mortgaged Property or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Mortgaged Property or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Mortgaged Property, legal curtailment of the Borrower’s use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Lender’s legal organization or status, or any default of the Lender hereunder or under any other Borrower Loan Document, and regardless of the invalidity of any action of the Lender or the invalidity of any portion of this Note or the other Borrower Loan Documents. Provided further, the obligations of Borrower under this Note and the other Borrower Loan Documents shall not be affected by:

(a) any lack of validity or enforceability of any Borrower Loan Document or any of the Related Documents;
(b) any amendment of, or any waiver or consent with respect to, any of the Borrower Loan Documents or Related Documents;

(c) the existence of any claim, set-off, defense or other rights which Borrower, General Partner or Guarantor may have at any time against Lender (other than the defense of payment in accordance with the terms of this Note or the other Borrower Loan Documents) or any other Person, whether in connection with this Note or any other Borrower Loan Document, the Related Documents or any transaction contemplated thereby or any unrelated transaction;

(d) any breach of contract or other dispute between Borrower, General Partner or Guarantor, and Lender;

(e) any Funding Requisition or any document presented in connection therewith, proving to be forged, fraudulent, untrue, inaccurate, invalid or insufficient in any respect (except in the event of willful misconduct by Lender with respect to same); or

(f) any exchange, release or nonperfection of any lien or security interest in any collateral pledged or otherwise provided to secure any of the obligations contemplated herein, in any other Borrower Loan Document or in any Related Document.

The Borrower hereby waives the application to it of the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Note or the other Borrower Loan Documents or which releases or purports to release the Borrower therefrom. Nothing contained herein shall be construed as prohibiting the Borrower from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

16. Commercial Purpose. Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family, household or agricultural purposes.

17. Counting of Days. Except where otherwise specifically provided, any reference in this Note to a period of “days” means calendar days, not Business Days.

18. Notices. All notices, demands and other communications required or permitted to be given pursuant to this Note shall be in writing and addressed as set forth below. Each notice shall be deemed given on the earliest to occur of (a) the date when the notice is received by the addressee; (b) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (c) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

If to the Borrower: SP Trail LLC
c/o Southport Development, Inc.
5403 West Gray Street
Tampa, Florida 33609
Attention: Scott Seekinger
Facsimile: (813) 288-1511

With a copy to: Pepple Cantu Schmidt PLLC
2430 Estancia Boulevard, Suite 114
Clearwater, Florida 33761-2607
Attention: David O. Cantu, Esq.
Facsimile: (727) 726-9272

With a copy to: Raymond James Housing Opportunities Fund [___] L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Attention: Steven J. Kropf, President

If to Lender: Housing Finance Authority of Pinellas County (Florida)
26750 U.S. Hwy 19 N., Suite 110
Clearwater, Florida 33761
Attention: Executive Director
Fax: (727) 255-5562

With a copy to: U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309
Attention: Corporate Trust Department
Facsimile: (954) 202-2082

With copies to: Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Transaction Management Group
Deal ID# 24770
Facsimile: (212) 723-8209

With a copy to: Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Deal ID# 24770
Facsimile: (805) 557-0924

Prior to the Conversion Date, with a copy to: Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Account Specialist
Deal ID # 24770
Facsimile: (212) 723-8209
Following the Conversion Date, with a copy to:
Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Citi Deal ID#: 24770
Facsimile: (215) 328-0305

And a copy of any notices of default sent to:
Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: General Counsel’s Office
Deal ID # 24770
Facsimile: (646) 291-5754

The Borrower or the Lender may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 18. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 18, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 18 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

19. **Payments on Non-Business Day.** If the date for the making of any payment under this Note is not a Business Day, such payment shall be due and payable on the next succeeding Business Day.

20. **Terms of Note Governing Payment Matters Control in the Event of any Conflict.** In the event the provisions of the Borrower Loan Agreement or the other Borrower Loan Documents (other than this Note) conflict with the provisions of this Note which govern the terms of repayment of the Borrower Loan or the payment of other amounts due in connection with the Borrower Loan (including, without limitation, the provisions of this Note which govern the required payments of principal, interest and other amounts due in connection with the Borrower Loan, the manner of payment, the calculation of interest, the payment of the Lender’s costs and expenses, the application of payments received by the Lender, the acceleration of amounts owed by the Borrower, late charges, default rates of interest, prepayments, prepayment premiums or maximum rates of interest or similar charges), the provisions of this Note shall govern and control.

21. **Intentionally Omitted.**

22. **Determinations by Lender.** Except to the extent expressly set forth in this Note to the contrary, in any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Note, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by Lender, as applicable (or
its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

23. **Release; Indemnity.**

   (a) **Release.** Borrower covenants and agrees that, in performing any of its rights or duties under this Note, neither the Beneficiary Parties, nor their respective agents or employees, shall be liable for any losses, claims, damages, liabilities and expenses that may be incurred by any of them as a result of such performance, except to the extent such liability for any losses, claims, damages, liabilities or expenses arises out of the willful misconduct or gross negligence of such party.

   (b) **Indemnity.** Borrower hereby agrees to indemnify and hold harmless the Beneficiary Parties and their respective agents and employees from and against any and all losses, claims, damages, liabilities and expenses including, without limitation, reasonable attorneys’ fees and costs and disbursements, which may be imposed or incurred by any of them in connection with this Note, except that no such party will be indemnified for any losses, claims, damages, liabilities or expenses arising out of the willful misconduct or gross negligence of such other party.

24. **Governing Law.** This Note shall be governed by and enforced in accordance with the laws of the Property Jurisdiction, without giving effect to the choice of law principles of the Property Jurisdiction that would require the application of the laws of a jurisdiction other than the Property Jurisdiction.

25. **Consent to Jurisdiction and Venue.** Borrower agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Lender’s right to bring any suit, action or proceeding relating to matters arising under this Note against Borrower or any of Borrower’s assets in any court of any other jurisdiction.

26. **Severability.** The invalidity, illegality or unenforceability of any provision of this Note shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

27. **Remedies Cumulative.** In the event of Borrower’s default under this Note, the Lender may exercise all or any one or more of its rights and remedies available under this Note, at law or in equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy shall not in any way prevent the Lender from exercising any other right or remedy available to the Lender. The Lender may exercise any such remedies from time to time as often as may be deemed necessary by the Lender.
28. **No Agency or Partnership.** Nothing contained in this Note shall constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

29. **Entire Agreement; Amendment and Waiver.** This Note contains the complete and entire understanding of the parties with respect to the matters covered. This Note may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Note shall be considered as a general waiver.

30. **Further Assurances.** Borrower shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that Lender may reasonably request, in order to protect any right or interest granted by this Note or to enable Lender to exercise and enforce its rights and remedies under this Note.

31. **Captions.** The captions of the sections of this Note are for convenience only and shall be disregarded in construing this Note.

32. **Servicer.** Borrower hereby acknowledges and agrees that, pursuant to the terms of the Security Instrument: (a) from time to time, Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices under this Note or the other Borrower Loan Documents, and to otherwise service the Borrower Loan and (b) unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by such servicer with the same force and effect.

33. **Waiver of Trial by Jury.** TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER AND LENDER (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

34. **Time of the Essence.** Time is of the essence with respect to this Note.

35. **Modifications.** All modifications (if any) to the terms of this Note (“Modifications”) are set forth on Schedule C attached to this Note. In the event of a Transfer under the terms of the Security Instrument, some or all of the Modifications to this Note may be modified or rendered void by Lender at its option by notice to Borrower or such transferee.

36. **Attached Schedules.** The following Schedules are attached to this Note and are incorporated by reference herein as if more fully set forth in the text hereof:
Schedule A – Principal and Interest Payments

Schedule B – Prepayment Premium

Schedule C – Modifications to Multifamily Note

The terms of this Note are modified and supplemented as set forth in said Schedules. To the extent of any conflict or inconsistency between the terms of said Schedules and the text of this Note, the terms of said Schedules shall be controlling in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Multifamily Note or caused this Multifamily Note to be duly executed and delivered by its authorized representative as of the date first set forth above.

BORROWER:

SP TRAIL LLC,
a Florida limited liability company

By: SP Trail Manager LLC,
a Florida limited liability company
Its: Manager

By: ________________________
Name: J. David Page
Title: Manager
PAY TO THE ORDER OF:

CITIBANK, N.A., AS FUNDING LENDER, AND U.S. BANK NATIONAL ASSOCIATION, AS FISCAL AGENT, AS THEIR INTERESTS APPEAR, AS ASSIGNEE UNDER THAT CERTAIN FUNDING LOAN AGREEMENT DATED AS OF APRIL 1, 2018

WITHOUT RECOUSE

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY (FLORIDA),
public body corporate and politic and duly created and existing under the laws of the State of Florida

By: _______________________________
Name: ___________________________
Title: ____________________________
SCHEDULE A

PRINCIPAL AND INTEREST PAYMENTS

Except as provided in Paragraphs 8 and 14 of this Note, interest ("Note Interest") shall accrue on the unpaid principal of this Note from, and including, the Closing Date until paid in full at an annual rate (the "Interest Rate") as follows:

A. Interest Rate Prior to Conversion Date. From, and including, the Closing Date, until the Conversion Date, the following provisions shall apply:

1. Interest Rate. Note Interest shall accrue on the unpaid principal of this Note from, and including, the Closing Date, until the Conversion Date, at an annual rate, as follows:

   (a) Adjustable Interest Rate. Interest shall accrue at the Adjustable Rate.

   (b) Interest Rate Adjustment. The Adjustable Rate shall be determined by Lender on each Rate Determination Date and shall be adjusted on each Reset Date until the Conversion Date. Accrued interest on this Note shall be paid in arrears.

   (c) Maximum Rate. Notwithstanding any other provision of this Note to the contrary, Note Interest shall not exceed the Maximum Rate, as the Maximum Rate may change in accordance with this Note.

   (d) Interest Accrual. Note Interest shall be computed on the basis of the actual number of days in the period in respect of which payment is being made divided by 360.

2. Definitions. For purposes of this Schedule A, the following terms shall have the meanings set forth below:

   “Accrual Period” means the period commencing on the first calendar day of each month and continuing to but excluding the first calendar day of the following month (without adjustment in either case for Business Day payment conventions). The initial Accrual Period shall be the period commencing on the Closing Date and continuing to but excluding the first calendar day of the month in which the First Payment Date occurs.

   “Adjustable Rate” means the sum of (i) the Current Index, and (ii) the Margin, which sum is then rounded to five decimal places.

   “Current Index” means the Index that is determined by Lender on each Rate Determination Date, subject to the limitation that the Current Index shall not be less than 0.00%.

   “Index” means the London Inter-Bank Offered Rate for 1-month U.S. Dollar-denominated deposits administered by the ICE Benchmark Administration Limited (formerly administered by the British Bankers Association, or such other person which takes over the administration of that rate) which appears on Reuters Screen LIBOR01 Page (or any successor page) as of 11:00 a.m., London time, on the Rate Determination Date (the “LIBOR Rate”). If
Lender determines that use of the Index would violate any applicable law or regulation, or if the Index becomes unavailable, then Lender, in its sole and absolute discretion, will choose a new rate which is based upon comparable information and provide notice to Borrower of such choice.


“Margin” means [2.30%].

“Payment Change Date” means the first day of the next succeeding Accrual Period that follows each Reset Date until this Note is repaid in full.

“Rate Determination Date” means two (2) London Business Days prior to the applicable Reset Date.

“Required Monthly Payment” shall have the meaning set forth in Section 3 below.

“Reset Date” means the first day of each Accrual Period.

3. **Monthly Interest Only Payments.** Consecutive monthly installments of interest only, each in the amount of the Required Monthly Payment (defined below), shall be payable on each Loan Payment Date until the Conversion Date. The Required Monthly Payment shall be an amount equal to the Note Interest that has accrued on the unpaid principal balance of the Borrower Loan during the applicable Accrual Period, and shall change on each Payment Change Date based on the applicable Adjustable Rate and unpaid principal balance. The entire unpaid principal balance and accrued but unpaid interest, if not sooner paid, shall be due and payable on the Maturity Date.

4. **Notification of Required Monthly Payment.** Before each Payment Change Date, Lender shall re-calculate the Adjustable Rate and shall notify Borrower (in the manner specified in Section 18 of this Note for giving notices) of any change in the Required Monthly Payment.

5. **Error in Calculation of Required Monthly Payment.** If Lender at any time determines, in its sole but reasonable discretion, that it has miscalculated the amount of the Required Monthly Payment (whether because of a miscalculation of the Adjustable Rate or otherwise), then Lender shall give notice to Borrower of the corrected amount of the Required Monthly Payment (and the corrected Adjustable Rate, if applicable) and (a) if the corrected amount of the Required Monthly Payment represents an increase, then Borrower shall, within thirty (30) calendar days thereafter, pay to Lender any sums that Borrower would have otherwise been obligated under this Note to pay to Lender had the amount of the Required Monthly Payment not been miscalculated, or (b) if the corrected amount of the Required Monthly Payment represents a decrease thereof and Borrower is not otherwise in breach or default under any of the terms and provisions of this Note, the Security Instrument or any other Borrower Loan Document, then Borrower shall thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of the Required Monthly Payment not been miscalculated.
B. **Interest Rate and Principal Payments on and after the Conversion Date.**

From, and including, the Conversion Date, until the Maturity Date, the following provisions shall apply:

1. **Interest Rate.** Note Interest shall accrue on the unpaid principal of this Note from, and including, the Conversion Date, until the Maturity Date, at an annual rate, as follows:

   (a) **Fixed Rate.** Interest shall accrue at an annual rate of _______ and __/100 percent (_____%).

   (b) **Maximum Rate.** Notwithstanding any other provision of this Note to the contrary, Note Interest shall not exceed the Maximum Rate, as the Maximum Rate may change in accordance with this Note.

   (c) **Interest Accrual.** Note Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. **Monthly Payments.** Commencing on the first Loan Payment Date following the Conversion Date and on each Loan Payment Date thereafter until and including the Maturity Date, consecutive monthly installments of principal and interest in the amount set forth below (based upon an amortization schedule of [35 years, assuming a 360-day year comprised of twelve 30-day months]) shall be payable on each Loan Payment Date until the entire unpaid principal balance evidenced by this Note is fully paid. Any remaining principal and interest, if not sooner paid, shall be due and payable on the Maturity Date.

   (a) If the Permanent Period Amount is $[3,600,000] equal monthly installments of principal and interest in the amount of $__________ and a final installment on the Maturity Date in the amount of the remaining principal balance and accrued interest on this Note.

   (b) If the Permanent Period Amount is other than $[3,600,000], equal monthly installments of principal and interest in the amount necessary to fully amortize the Permanent Period Amount over a period of thirty-five (35) years, assuming a 360-day year comprised of twelve 30-day months, and a final installment on the Maturity Date in the amount of the remaining principal balance of this Note, which amortization schedule shall be determined by or on behalf of Lender and which determination shall be final and conclusive absent manifest error.

   (c) In the event that the Borrower Loan is reamortized at any time as a result of the application of any insurance proceeds or condemnation award in accordance with Section 10(i) of this Note, equal monthly payments of principal and interest in installments in the amount necessary to fully amortize the remaining principal balance of this Note over the remainder of the original thirty-five (35) year amortization period, assuming a 360-day year comprised of twelve 30-day months, and a final installment on the Maturity Date in the amount of the remaining principal balance of this Note, which amortization schedule shall be determined by Lender and which determination shall be final and conclusive absent manifest error.
C. **Loss of Tax Exclusion.** Borrower understands that the interest rates provided under this Note are based on the assumption that interest income paid on the Funding Loan and received by the Funding Lender will be excludable from Funding Lender’s gross income under Section 103 of the Internal Revenue Code and applicable state law. In the event that Borrower receives notice from Funding Lender that a Determination of Taxability has occurred, then, notwithstanding any provision to the contrary contained herein, the interest rate on this Note and on all obligations of Borrower under the Borrower Loan Documents (other than those to which the Default Rate applies) shall be increased to a rate equal to the greater of: (i) three and one-half percent (3.50%) in excess of the LIBOR Rate or (ii) the Default Rate, provided such rate shall not exceed the Maximum Rate.

Borrower shall, in addition, pay to Lender, promptly upon demand, an amount equal to the difference between the amount of interest payable on this Note from the date on which such loss of tax exemption on the Funding Loan shall be applicable to the date on which the interest rate on this Note was increased and the amount of interest that would have been payable on this Note during such period had this Note borne interest during such period at such higher rate. The Borrower shall also indemnify, defend and hold Lender harmless from any penalties, interest expense or other costs, including attorneys’ fees (including all allocated time and charges of “in-house” and “outside” counsel) and accountants’ costs, resulting from any dispute with the Internal Revenue Service concerning the proper tax treatment of the Funding Loan and the interest payable to Funding Lender on the Funding Loan. The obligations of the Borrower under this paragraph shall survive any termination of the Borrower Loan Documents, release of the Security Instrument and repayment of the Borrower Loan and/or Funding Loan.
SCHEDULE B

PREPAYMENT PREMIUM

Any prepayment premium payable under Paragraph 10 of this Note shall be computed as follows:

(a) If the prepayment is made at any time after the date of this Note and before the end of the Prepayment Premium Period (the “Yield Maintenance Period End Date”) the prepayment premium shall be the greater of:

(i) 1% of the amount of principal being prepaid; or

(ii) The product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting the Yield Rate (as defined below) from the Underwriting Rate (as defined in the Construction Funding Agreement), on the twenty-fifth Business Day preceding (x) the date upon which any voluntary prepayment will be made, determined in accordance with Section 10 of this Note, or (y) the date Lender accelerates the Borrower Loan or otherwise accepts a prepayment pursuant to Section 10 of this Note,

by

(C) the present value factor calculated using the following formula:

\[
\frac{1 - (1 + r)^{n/12}}{r}
\]

\[r = \text{Yield Rate}
\]

\[n = \text{the number of months remaining between (1) either of the following: (x) in the case of a voluntary prepayment, the last calendar day of the month during which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of this Note and (2) the Yield Maintenance Period End Date.}

For purposes of this clause (ii), the “Yield Rate” means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. “Treasury constant maturities” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest
Rates (the “Fed Release”) under the heading “U.S. government securities”) closest to the remaining term of the Prepayment Premium Period, as follows (rounded to three decimal places):

\[
\{ (a - b) \div (x - y) \} \times (z - y) + b
\]

\(a\) = the yield for the longer U.S. Treasury constant maturity
\(b\) = the yield for the shorter U.S. Treasury constant maturity
\(x\) = the term of the longer U.S. Treasury constant maturity
\(y\) = the term of the shorter U.S. Treasury constant maturity
\(z\) = “n” (as defined in the present value factor calculation above) divided by 12.

Notwithstanding any provision to the contrary, if “z” equals a term reported under the U.S. “Treasury constant maturities” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.

(b) Notwithstanding the provisions of Paragraph 10 of this Note, no prepayment premium shall be payable with respect to any prepayment made on or after the Yield Maintenance Period End Date.
SCHEDULE C

MODIFICATIONS TO MULTIFAMILY NOTE

The following modifications are made to the text of this Note that precedes this Schedule:

1. The following new clause (4) is hereby added to Section 9(e) of this Note “or (4) any failure by Borrower to comply with the provisions of Sections 59, 60(b), 61(a) or 62 of the Security Instrument.”

Capitalized terms used and not defined herein shall have the respective meanings ascribed to them in this Note.
THIS INSTRUMENT PREPARED BY:

Andrew L. Kramer
Robinson & Cole LLP
Chrysler East Building
666 Third Avenue
20th Floor
New York, New York 10017

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Citibank, N.A.
Transaction Management Group/ Post Closing
388 Greenwich Street, 8th Floor
New York, New York 10013
Attn: Tanya Jimenez
Citi Deal ID# 24770

ABOVE SPACE RESERVED FOR
RECORDING PURPOSES ONLY

MULTIFAMILY LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(FLORIDA)

THIS MORTGAGE IS EXECUTED AND DELIVERED IN CONNECTION WITH AND
PURSUANT TO THE ISSUANCE OF A CERTAIN NOTE BY HOUSING FINANCE
AUTHORITY OF PINELLAS COUNTY (FLORIDA), FLORIDA AND IS EXEMPT
FROM DOCUMENTARY STAMP TAXES AND INTANGIBLE TAX PURSUANT TO
SECTION 159.621 FLORIDA STATUTES
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MULTIFAMILY LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (FLORIDA)

This MULTIFAMILY LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “Instrument”) is made as of 1st day of April, 2018, by SP TRAIL LLC, a Florida limited liability company, whose address is c/o Southport Development, Inc., 5403 West Gray Street, Tampa, Florida 33609 (“Borrower”), to HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY (FLORIDA), a public body corporate and politic and duly organized and existing under the laws of the State of Florida with an address at 26750 U.S. Hwy 19N, Suite 110, Clearwater, Florida 33761 (“Lender”). Borrower’s organizational identification number is [__________].

A. Lender is the holder of that certain Multifamily Note, effective as of the Closing Date in the maximum principal amount of [EIGHT MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS ($8,200,000)] (the “Note”), maturing on November 1, 2050 or any earlier date on which the unpaid principal balance of the Note becomes due and payable, by acceleration or otherwise (the “Maturity Date”).

B. The Note is being secured by this Instrument on certain unimproved real property located in Clearwater, Pinellas County, Florida and more particularly described on Exhibit A attached hereto and made a part hereof (the “Land”).

C. Immediately upon the execution and delivery of the Note, this Instrument and the other Loan Documents, it is contemplated and intended that Lender will assign its rights under the Loan to Citibank, N.A., a national banking association (“Funding Lender”), pursuant to that certain Funding Loan Agreement dated as of the date hereof by and among Lender, Funding Lender and U.S. Bank National Association, a national banking association, as Fiscal Agent, and that certain Assignment of Mortgage and Loan Documents, dated as of the date hereof, from Lender to Funding Lender.

NOW THEREFORE:

TO SECURE TO LENDER and its successors and assigns the repayment of the Indebtedness evidenced by the Note executed by Borrower and maturing on the Maturity Date, and all renewals, extensions and modifications of the Indebtedness, including, without limitation, the payment of all sums advanced by or on behalf of Lender to protect the security of this Instrument under Section 12 and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower mortgages, warrants, conveys and assigns to Lender, the Mortgaged Property, including the Land located in Clearwater, Pinellas County, Florida and described in Exhibit A attached to this Instrument.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered except for the Permitted Encumbrances. Borrower covenants that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any Permitted Encumbrances.
This Instrument is also a financing statement and a fixture filing under the Uniform Commercial Code of the Property Jurisdiction and the information set forth on Exhibit C is included for that purpose.

**Covenants.** Borrower and Lender covenant and agree as follows:

1. **DEFINITIONS.** The following terms, when used in this Instrument (including when used in the above recitals), shall have the following meanings:

   (a) **"Affiliate"** means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

   (b) **"Agreement of Environmental Indemnification"** means that certain Agreement of Environmental Indemnification, dated as of the date hereof, by Borrower and Guarantor for the benefit of Beneficiary Parties.

   (c) **"Bankruptcy Event"** means any one or more of the following:

      (i) **(A)** the commencement of a voluntary case under one or more of the Insolvency Laws by the Borrower; (B) the acknowledgment in writing by the Borrower that it is unable to pay its debts generally as they mature; (C) the making of a general assignment for the benefit of creditors by the Borrower; (D) the commencement of an involuntary case under one or more Insolvency Laws against the Borrower; or (E) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over the Borrower or any substantial part of the assets of the Borrower provided that any proceeding or case under (D) or (E) above is not dismissed within 90 days after filing;

      (ii) Any Guarantor or any Affiliate of a Guarantor files an involuntary petition against Borrower under one or more of the Insolvency Laws; or

      (iii) Both (A) an involuntary petition under any one or more of the Insolvency Laws is filed against Borrower or Borrower directly or indirectly becomes the subject of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction, or in equity, and (B) Borrower or any Affiliate of Borrower has acted in concert or conspired with such creditors of Borrower (other than Lender) to cause the filing thereof with the intent to interfere with enforcement rights of Lender after the occurrence of an Event of Default.

   (d) **"Beneficiary Parties"** means Funding Lender, any Servicer, and their respective successors and assigns, together with any lawful owner, holder or pledgee of the Note.
(e) "Borrower" means all persons or entities identified as "Borrower" in the first paragraph of this Instrument, together with their successors and assigns.

(f) "Borrower Loan Agreement" means that certain Borrower Loan Agreement dated as of the date hereof by and between Borrower and Lender relating to the Loan, as the same may be amended, modified or supplemented from time to time.

(g) "Borrower’s Organizational Documents" means, collectively: (i) the certificate of partnership, certificate or articles of formation or certificate or articles of organization of Borrower filed with the office of Secretary of the State of Florida on ____________, 201__, and as the same may be amended and/or restated from time to time; and (ii) the Amended and Restated Operating Agreement of Borrower dated on or about the Closing Date, as the same may be amended and/or restated from time to time.

(h) "Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York are authorized or obligated by law, regulation, governmental decree or executive order to be closed.

(i) "Closing Date" has the meaning ascribed thereto in the Borrower Loan Agreement.

(j) "Collateral Agreement" means any separate agreement between Borrower and Funding Lender and/or Lender or Servicer for the purpose of establishing tax, repair or replacement reserve or escrow accounts for the Mortgaged Property or granting Lender, Funding Lender and/or Servicer a security interest in any such accounts (including, without limitation, the Replacement Reserve Agreement), or any other agreement or agreements between Borrower and Lender, Funding Lender and/or Servicer which provide for the establishment of any other fund, reserve or account.

(k) "Collateral Assignments" means, collectively, (i) the Assignment of Construction Contract dated as of the date hereof by Borrower to Funding Lender and any consents relating thereto, (ii) the Assignment of Architect’s Agreement and Plans and Specifications dated as of the date hereof by Borrower to Funding Lender and any consents relating thereto, (iii) the Assignment of Project Documents dated as of the date hereof by Borrower to Funding Lender, (iv) the Assignment of Management Agreement dated as of the date hereof by Borrower and the Manager (as defined therein) to Funding Lender, (v) the Assignment of Equity Investor Capital Contributions, Pledge and Security Agreement dated as of the date hereof by Borrower to Funding Lender, (vi) the Assignment of Equity Interests, Pledge and Security Agreement dated as of the date hereof by the Manager of the Borrower to Funding Lender, and (vii) the Assignment of Subordination of Developer Fees, Pledge and Security Agreement dated as of the date hereof by the Assignor (as defined therein) and Borrower to Lender.

(l) "Conditions to Conversion" has the meaning ascribed thereto in the Borrower Loan Agreement.

(m) "Construction Funding Agreement" means that certain Construction Funding Agreement, dated as of the date hereof, between the Funding Lender and Borrower
setting forth certain provisions relating to disbursement of the Loan during construction, insurance and other matters, as such agreement may be amended, modified, supplemented and replaced from time to time.

(n) “Control” means, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors of a corporation, to select the managing partner of a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity.

(o) “Conversion Date” has the meaning ascribed thereto in the Borrower Loan Agreement.

(p) “Credit Enhancer” means a government sponsored enterprise that at any time, directly or indirectly, purchases the Loan or provides credit enhancement with respect to the Loan.

(q) “Credit Enhancer Insurance Standards” means the insurance standards and requirements set forth in the multifamily underwriting guidelines generated by the Credit Enhancer, as in effect from time to time.

(r) “Environmental Permit” means any permit, license, or other authorization issued under any Hazardous Materials Law with respect to any activities or businesses conducted on or in relation to the Mortgaged Property.

(s) “Event of Default” means the occurrence of any event listed in Section 22.

(t) “Fixtures” means all property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.

(u) “Governmental Authority” means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.
(v) “Guarantor” shall mean J. David Page, and/or any other person or entity which may hereafter become a guarantor of any of Borrower’s obligations under the Loan.

(w) “Hazardous Materials” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; radon; toxic or mycotoxin spores; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance (whether or not naturally occurring) now or in the future that (i) is defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “solid waste,” “pesticide,” “contaminant,” or “pollutant”, or otherwise classified as hazardous or toxic by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.

(x) “Hazardous Materials Laws” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, rule of common law (including, without limitation, nuisance and trespass), consent order, administrative rulings and court judgments and decrees or other government directive in effect now or in the future and including all amendments, that relate to Hazardous Materials or to the protection or conservation of the environment or human health and apply to Borrower or to the Mortgaged Property, including, without limitation, those relating to industrial hygiene, or the use, analysis, generation, manufacture, storage, discharge, release, disposal, transportation, treatment, investigation, or remediation of Hazardous Materials. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., the Superfund Amendments and Reauthorization Act, the Solid Waste Disposal Act, the Clean Air Act, the Occupational Safety and Health Act, and their state analogs.

(y) “Impositions” and “Imposition Deposits” shall have the meanings ascribed thereto in Section 7(a).

(z) “Improvements” means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.

(aa) “Indebtedness” means collectively, the principal of, interest on, and all other amounts due at any time under, the Note, this Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances as provided in Section 12 to protect the security of this Instrument, and any fees or expenses paid by Lender on behalf of Borrower to Lender or any other party for the Loan or other amounts relating to the Loan Documents which are paid by Lender;
(bb) "Initial Owners" means, with respect to Borrower or any other entity, the persons or entities who on the date of the Note, directly or indirectly, own in the aggregate 100% of the ownership interests in Borrower or that entity.

(cc) "Insolvency Laws" means the United States Bankruptcy Code, 11 U.S.C. § 101, et seq., together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding, as amended from time to time, to the extent applicable to the Borrower.

(dd) "Land" means the land described in Exhibit A.

(ee) "Leases" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals.

(ff) "Lender" means the entity identified as "Lender" in the first paragraph of this Instrument, or any subsequent holder of the Note.

(gg) "Loan" means the loan made by Lender to Borrower in an amount not to exceed the original principal amount of the Note, which loan is evidenced by the Note and secured by, among other things, this Instrument.

(hh) "Loan Documents" means collectively, the Borrower Loan Agreement, the Note, this Instrument, the Construction Funding Agreement, the Agreement of Environmental Indemnification, all guaranties, all indemnity agreements, all Collateral Agreements, all Collateral Assignments, all O&M Programs, the MMP, and any other documents now or in the future executed by Borrower, any guarantor or any other person in connection with the Loan, as such documents may be amended from time to time.

(ii) "Material Property Agreements" means any agreement which, in Lender’s sole discretion, acting in good faith, materially affects the Mortgaged Property, the use thereof or otherwise materially affects the rights of Borrower or Beneficiary Parties in, to, and with respect to the Mortgaged Property or the proceeds therefrom, including, without limitation, each of the following: (i) any agreement regarding the payment in lieu of taxes ("PILOT"), (ii) all covenants, conditions and restrictions, including, without limitation, any declaration subjecting the Mortgaged Property to an association of owners or other community governance, (iii) any agreement regarding the abatement or exemption of real estate taxes, (iv) any easement pursuant to which the Mortgaged Property is granted access to a public right of way, (v) any material lease of all or any portion of the Mortgaged Property, (vi) any operating agreements relating to the Land or the Improvements, (vii) any regulatory agreements, declarations, land use restriction agreements or similar instruments affecting the Mortgaged Property including the operation or use thereof.

(jj) "Maturity Date" has the meaning ascribed thereto in the recitals to this Instrument.
(kk) “MMP” means an operations and maintenance plan, moisture management program and/or microbial operations and maintenance program approved by Lender to control water intrusion and prevent the development of Mold or moisture at the Mortgaged Property throughout the term of this Instrument. If required by Lender, the MMP shall contain a provision for (i) staff training, (ii) information to be provided to tenants, (iii) documentation of the plan, (iv) the appropriate protocol for incident response and remediation and (v) routine, scheduled inspections of common space and unit interiors.

(II) “Mold” means mold, fungus, microbial contamination or pathogenic organisms, the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority, requires special handling under any Hazardous Materials Law, or is defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “solid waste,” “pesticide,” “contaminant,” or “pollutant” or otherwise classified as hazardous or toxic by or within the meaning of any Hazardous Materials Law, or is regulated in any way by or within the meaning of any Hazardous Materials Law.

(mm) “Mortgaged Property” means all of Borrower’s present and future right, title and interest in and to all of the following:

(i) the Land;

(ii) the Improvements;

(iii) the Fixtures;

(iv) the Personalty;

(v) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(vi) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender’s requirements;

(vii) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the
power of eminent domain or otherwise and including any conveyance in lieu thereof;

(viii) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(ix) all Rents and Leases;

(x) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, whether the foregoing are now due, past due, or to become due, all undisbursed proceeds of the loan secured by this Instrument, deposits forfeited by tenants, and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(xi) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated);

(xii) all tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits;

(xiii) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;

(xiv) all documents, writings, books, files, records and other documents arising from or relating to any of the foregoing, whether now existing or hereafter created; and

(xv) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds, and all other cash and non-cash proceeds and products of any of the foregoing.

(nn) “Note” means that certain Multifamily Note, dated as of the Closing Date, executed and delivered by the Borrower, payable to Lender in an amount not to exceed the original maximum principal amount of the Loan set forth in the recitals to this Instrument, including all schedules, riders, allonges and addenda, as the same may be amended, modified, or supplemented from time to time.

(oo) “O&M Program” has the meaning ascribed thereto in Section 18(d).
(pp) **Permitted Encumbrances** means any easements, encumbrances or restrictions listed on the schedule of exceptions in the title insurance policy issued to Lender as of the date of recordation of this Instrument insuring Lender’s interest in the Mortgaged Property, together with the liens securing the Subordinate Debt, if applicable.

(qq) **Permitted Transfer** has the meaning ascribed thereto in Section 21(b).

(rr) **Person** means any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

(ss) **Personalty** means all:

(i) accounts (including deposit accounts) of Borrower related to the Mortgaged Property;

(ii) Imposition Deposits;

(iii) equipment, goods, supplies and inventory owned by Borrower that are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements (other than Fixtures), including furniture, furnishings, machinery, building materials, tools, books, records (whether in written or electronic form), computer equipment (hardware and software);

(iv) other tangible personal property owned by Borrower which are used now or in the future in connection with the ownership, management or operation of the Land or Improvements or are located on the Land or in the Improvements (other than Fixtures), including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances;

(v) any operating agreements relating to the Land or the Improvements;

(vi) any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements;

(vii) documents, instruments, chattel paper, claims, deposits, deposit accounts, payment intangibles, other intangible property, general intangibles, and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land and
including subsidy or similar payments received from any sources, including a governmental authority; and

(viii) any rights of Borrower in or under letters of credit.

(tt) “Project” means that certain 80-unit multifamily housing project to be located on the Land and known or to be known as Woodlawn Trails Apartments.

(uu) “Property Jurisdiction” means the State of Florida.

(vv) “Regulatory Agreement” means the Land Use Restriction Agreement, entered into or to be entered into by and among the Lender, Fiscal Agent and the Borrower, regulating or restricting the use or manner of operation of the Mortgaged Property and containing requirements that specified percentages of the dwelling units in the Mortgaged Property be occupied by tenants whose incomes are below specified levels.

(ww) “Rents” means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including subsidy payments received from any sources (including, but not limited to payments under any Housing Assistance Payments Contract or similar agreements), parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants.

(xx) “Replacement Reserve Agreement” means that certain Replacement Reserve Agreement dated as of the date hereof by and between Borrower and Funding Lender.

(yy) “Replacement Reserve Fund” has the meaning ascribed thereto by the Replacement Reserve Agreement.

(zz) “Servicer” means the servicing party that is designated by Lender to service the Loan, together with its successors in such capacity.

(aaa) “Subordinate Debt” has the meaning ascribed to that term in the Borrower Loan Agreement.

(bbb) “Taxes” means, collectively, all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Land or the Improvements.

(ccc) “Transfer” means (i) a sale, assignment, transfer, or other disposition (whether voluntary, involuntary or by operation of law); (ii) the grant, creation, or attachment of a lien, encumbrance, or security interest (whether voluntary, involuntary or by operation of law); (iii) the issuance or other creation of a direct or indirect ownership interest; or (iv) the withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity.

2. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.

(a) This Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subjected to a security interest under the Uniform Commercial Code, whether such Mortgaged Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, “UCC Collateral”), and Borrower hereby grants to Lender a security interest in the UCC Collateral. Borrower hereby authorizes Lender to prepare and file any and all financing statements, continuation statements and financing statement amendments, in such form as Lender may require to perfect or continue the perfection of this security interest without execution by Borrower. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements and/or amendments that Lender may require. Without the prior written consent of Lender, Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral except for the Permitted Encumbrances. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender’s other remedies. This Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture.

(b) Unless Borrower gives at least thirty (30) days’ prior written notice to Lender and subject to Section 21 hereof, Borrower shall not: (i) change its name, identity, or structure of organization; (ii) change its state of organization through dissolution, merger, transfer of assets or otherwise; (iii) change its principal place of business (or chief executive office if more than one place of business); or (iv) add to or change any location at which any of the Mortgaged Property is stored, held or located. Such notice shall be accompanied by new financing statements and/or financing statement amendments in the same form as the financing statements delivered to Lender on the date hereof. Without limiting the foregoing, Borrower hereby authorizes and irrevocably appoints Lender and each of its officers attorneys-in-fact for Borrower to execute, deliver, and file, as applicable, such financing statements, continuation statements or amendments deemed necessary by Lender in its sole discretion for and on behalf of Borrower, without execution by Borrower. Borrower shall also execute and deliver to Lender modifications or supplements of this Instrument as Lender may require in connection with any change described in this Section.

3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute
and deliver such further assignments of Rents as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the Mortgaged Property. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents shall be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument create and perfect a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender. However, until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, Taxes and insurance premiums (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender’s rights with respect to Rents under this Instrument. Upon the occurrence and during the continuance of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower’s license to collect Rents shall automatically terminate and Lender shall without notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid (such license shall be reinstated upon Borrower’s cure of the Event of Default to the satisfaction of Lender). Borrower shall pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the occurrence of an Event of Default, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender, no tenant shall be obligated to inquire further as to the right of Lender to collect Rents, and no tenant shall be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower shall not interfere with and shall cooperate with Lender’s collection of such Rents.

(c) Borrower represents and warrants to Lender that Borrower has not executed any prior assignment of Rents (other than an assignment of Rents securing indebtedness that will be paid off and discharged with the proceeds of the Loan or in connection with the Subordinate Debt), that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any instrument which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents (other than a security deposit not in excess of one month’s rent). Borrower shall not collect or accept payment of any
Rents more than two months prior to the due dates of such Rents (other than a security deposit not in excess of one month’s rent).

(d) If an Event of Default has occurred and is continuing, Lender may, but shall in no event be required, regardless of the adequacy of Lender’s security or the solvency of Borrower and even in the absence of waste, to enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Instrument, or for such other purposes as Lender in its discretion may deem necessary or desirable. Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender’s security, without regard to Borrower’s solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte if permitted by applicable law. Lender or the receiver, as the case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon Lender’s entering upon and taking possession and control of the Mortgaged Property, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

(e) If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, except for the gross negligence or willful misconduct of Lender or its agents.

(f) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 12.

(g) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this
Instrument shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument.

4. ASSIGNMENT OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower’s right, title and interest in, to and under the Leases, including Borrower’s right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower’s right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the “Mortgaged Property” as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument create and perfect a lien on the Leases in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) Unless an Event of Default has occurred and is continuing, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. During the continuance of an Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower’s obligations under all Leases, including Borrower’s obligations pertaining to the maintenance and disposition of tenant security deposits.

(c) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred by Borrower under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Instrument or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property, except to the extent arising from the gross negligence or willful misconduct of Lender. Prior to Lender’s actual entry into and taking possession of the Mortgaged Property, Lender shall not (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management
and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

(d) Upon delivery of notice by Lender to Borrower of Lender’s exercise of Lender’s rights under this Section 4 at any time during the continuance of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.

(e) Borrower shall, promptly upon Lender’s request, deliver to Lender an executed copy of each residential Lease then in effect. All Leases for residential dwelling units shall (i) be on forms approved by Lender, (ii) be for initial terms of at least six (6) months and not more than two (2) years, (iii) not include options to purchase, (iv) be legally valid, binding, and enforceable obligations of the tenants, (v) contain language expressly stating that such Lease is subordinate to the lien of this Instrument and (vi) comply with all applicable laws.

(f) Except for laundry facilities and cable television services for tenants on market terms and conditions, Borrower shall not lease any portion of the Mortgaged Property for non-residential use except with the prior written consent of Lender and Lender’s prior written approval of the Lease agreement. Borrower shall not modify the terms of, or extend or terminate, any Lease for non-residential use (including any Lease in existence on the date of this Instrument) without the prior written consent of Lender. Borrower shall, without request by Lender, deliver an executed copy of each non-residential Lease to Lender promptly after such Lease is signed. All non-residential Leases, including renewals or extensions of existing Leases, shall specifically provide that (i) such Leases are subordinate to the lien of this Instrument; (ii) the tenant shall attorn to Lender and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a foreclosure sale or by Lender in any manner; (iii) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a foreclosure sale may from time to time request; (iv) the Lease shall not be terminated by foreclosure or any other transfer of the Mortgaged Property; (v) after a foreclosure sale of the Mortgaged Property, Lender or any other purchaser at such foreclosure sale may, at Lender’s or such purchaser’s option, accept or terminate such Lease; and (vi) the tenant shall, upon receipt after the occurrence of an Event of Default of a written request from Lender, pay all Rents payable under the Lease to Lender.

(g) Borrower shall not receive or accept Rent under any Lease (whether residential or non-residential) for more than two months in advance (other than a security deposit not in excess of one month’s rent).

5. PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER LOAN DOCUMENTS; PREPAYMENT PREMIUM. Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe and comply with all other provisions of the Note and the other Loan Documents. If applicable, Borrower shall pay a prepayment premium in connection with certain prepayments of the Indebtedness, including a payment made after Lender’s exercise of any right of acceleration of the Indebtedness, as provided in the Note.
6. **EXCULPATION.** The personal liability of Borrower for payment of the Note and for performance of the other obligations to be performed by Borrower under this Instrument is limited in the manner, and to the extent, provided in the Note.

7. **DEPOSITS FOR TAXES, INSURANCE AND OTHER CHARGES.**

   (a) Commencing on the Conversion Date, Borrower shall deposit with Lender on the day monthly installments of principal or interest, or both, are due under the Note (or on another day designated in writing by Lender), until the Indebtedness is paid in full, an additional amount sufficient to accumulate with Lender the entire sum required to pay, when due (i) the premiums for fire and other hazard insurance, rental loss insurance and such other insurance as Lender may require under Section 19, and (ii) Taxes, plus one-twelfth of such estimate, if required by Lender. The amounts deposited under the preceding sentence are collectively referred to in this Instrument as the “Imposition Deposits”. The obligations of Borrower for which the Imposition Deposits are required are collectively referred to in this Instrument as “Impositions”. The amount of the Imposition Deposits shall be sufficient to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added. Lender shall maintain records indicating how much of the monthly Imposition Deposits and how much of the aggregate Imposition Deposits held by Lender are held for the purpose of paying Taxes, and insurance premiums.

   (b) Imposition Deposits shall be held in an interest bearing account in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency. Lender shall not be obligated to open additional accounts or deposit Imposition Deposits in additional institutions when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. Lender shall apply the Imposition Deposits to pay Impositions so long as no Event of Default has occurred and is continuing. Any interest, earnings or profits on the Imposition Deposits, less customary bank fees, shall be paid to Borrower or credited to the account to which they relate at least once per year. As additional security for all of Borrower’s obligations under this Instrument and the other Loan Documents, Borrower hereby pledges and grants to Lender a security interest in the Imposition Deposits and all proceeds of and all interest and dividends on the Imposition Deposits. Any amounts deposited with Lender under this Section 7 shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose under Section 7(e).

   (c) If Lender receives a bill or invoice for an Imposition, Lender shall pay the Imposition from the Imposition Deposits held by Lender. Lender shall have no obligation to pay any Imposition to the extent it exceeds Imposition Deposits then held by Lender. Lender may pay an Imposition according to any bill, statement or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement or estimate or into the validity of the Imposition.

   (d) If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition exceeds the amount deemed necessary by Lender, plus one twelfth of such estimate if required by Lender, the excess shall be credited against future installments of Imposition Deposits. If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition is less than the amount estimated by Lender to be
necessary, plus one twelfth of such estimate if required by Lender, Borrower shall pay to Lender the amount of the deficiency within 15 days after notice from Lender.

(e) If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in any amounts and in any order as Lender determines, in Lender’s discretion, to pay any Impositions or as a credit against the Indebtedness. Upon payment in full of the Indebtedness, Lender shall refund to Borrower any Imposition Deposits held by Lender.

(f) If Lender does not collect an Imposition Deposit pursuant to a separate written waiver by Lender, then on or before the date each such Imposition is due, or on the date this Instrument requires such Imposition to be paid, Borrower shall, if required by Lender, provide Lender with proof of payment of each such Imposition for which Lender does not require collection of Imposition Deposits. Lender may, at any time and in Lender’s discretion, revoke its deferral or waiver and require Borrower to deposit with Lender any or all of the Imposition Deposits listed in this Section 7.

8. COLLATERAL AGREEMENTS. Borrower shall deposit with Lender such amounts as may be required by the Loan Agreement and any Collateral Agreement and shall perform all other obligations of Borrower under the Loan Agreement and each Collateral Agreement.

9. APPLICATION OF PAYMENTS. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender’s discretion. Neither Lender’s acceptance of an amount that is less than all amounts then due and payable nor Lender’s application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower’s obligations under this Instrument and the Note shall remain unchanged.

10. COMPLIANCE WITH LAWS. Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, disability accommodation, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 10. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Instrument or Lender’s interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

11. USE OF PROPERTY. Unless required by applicable law, Borrower shall not (a) allow changes in the use for which all or any part of the Mortgaged Property is being used at
the time this Instrument was executed, except for any change in use approved by Lender, (b) convert any individual dwelling units or common areas to commercial use, (c) initiate a change in the zoning classification of the Mortgaged Property or acquiesce in a change in the zoning classification of the Mortgaged Property, (d) establish any condominium or cooperative regime with respect to the Mortgaged Property; (e) combine all or any part of the Mortgaged Property with all or any part of a tax parcel which is not part of the Mortgaged Property, or (f) subdivide or otherwise split any tax parcel constituting all or any part of the Mortgaged Property without the prior consent of Lender.

12. PROTECTION OF LENDER’S SECURITY; INSTRUMENT SECURES FUTURE ADVANCES.

(a) If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document after the expiration of any applicable notice and cure period, or if any action or proceeding (including a Bankruptcy Event) is commenced which purports to affect the Mortgaged Property, Lender’s security or Lender’s rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender’s option may make such appearances, file such documents, disburse such sums and take such actions as Lender deems necessary to perform such obligations of Borrower and to protect Lender’s interest, including (i) payment of fees, expenses and reasonable fees of attorneys, accountants, inspectors and consultants, (ii) entry upon the Mortgaged Property to make repairs or secure the Mortgaged Property, (iii) procurement of the insurance required by Section 19 (specifically including, without limitation, flood insurance if required by Section 19), and (iv) payment of amounts which Borrower has failed to pay under Sections 15 and 17.

(b) Any amounts disbursed by Lender under this Section 12, or under any other provision of this Instrument that treats such disbursement as being made under this Section 12, shall be secured by this Instrument, shall be added to, and become part of, the principal component of the Indebtedness, shall be immediately due and payable and shall bear interest from the date of disbursement until paid at the “Default Rate”, as defined in the Note.

(c) If the Lender shall elect to pay any sum due with reference to the Project or the Mortgaged Property, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by this Instrument and/or the other Loan Documents, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

(d) Nothing in this Section 12 shall require Lender to incur any expense or take any action.
13. **INSPECTION.**

(a) Lender and its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Mortgaged Property (including environmental inspections and tests to the extent permitted under Section 18) during normal business hours, or at any other reasonable time, upon reasonable notice to Borrower if the inspection is to include occupied residential units (which notice need not be in writing). Notice to Borrower shall not be required in the case of an emergency, as determined in Lender’s discretion, or when an Event of Default has occurred and is continuing.

(b) If Lender determines that Mold has developed as a result of a water intrusion event or leak, Lender, at Lender’s discretion, may require that a professional inspector inspect the Mortgaged Property as frequently as Lender determines is necessary until any issue with Mold and its cause(s) are resolved to Lender’s satisfaction. Such inspection shall be limited to a visual and olfactory inspection of the area that has experienced the Mold, water intrusion event or leak. Borrower shall be responsible for the cost of such professional inspection and any remediation deemed to be necessary as a result of the professional inspection. After any issue with Mold, water intrusion or leaks is remedied to Lender’s satisfaction, Lender shall not require a professional inspection any more frequently than once every three years unless Lender is otherwise aware of Mold as a result of a subsequent water intrusion event or leak.

(c) If Lender determines not to conduct an annual inspection of the Mortgaged Property, and in lieu thereof Lender requests a certification, Borrower shall be prepared to provide and must actually provide to Lender a factually correct certification each year that the annual inspection is waived to the following effect: that Borrower represents and warrants that Borrower has not received any written complaint, notice, letter or other written communication from tenants, management agent or governmental authorities regarding odors, indoor air quality, Mold or any activity, condition, event or omission that causes or facilitates the growth of Mold on or in any part of the Mortgaged Property, or if Borrower has received any such written complaint, notice, letter or other written communication, that Borrower has investigated and determined that no Mold activity, condition or event exists or alternatively has fully and properly remediated such activity, condition, event or omission in compliance with the MMP for the Mortgaged Property. If Borrower is unwilling or unable to provide such certification, Lender may require a professional inspection of the Mortgaged Property at Borrower’s expense.

14. **BOOKS AND RECORDS; FINANCIAL REPORTING.**

(a) Borrower shall keep and maintain at all times at the Mortgaged Property or the management agent’s offices, and upon Lender’s request shall make available at the Mortgaged Property, complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other instruments which affect the Mortgaged Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender upon reasonable advance oral notice.

(b) Borrower shall furnish to Lender all of the following:
(i) except as provided in clause (B) below, within 45 days after the end of each fiscal quarter of Borrower, a statement of income and expenses for Borrower’s operation of the Mortgaged Property on a year-to-date basis as of the end of each fiscal quarter, (B) within 120 days after the end of each fiscal year of Borrower, (1) a statement of income and expenses for Borrower’s operation of the Mortgaged Property for such fiscal year, (2) a statement of changes in financial position (or equivalent) of Borrower relating to the Mortgaged Property for such fiscal year, and (3) when requested by Lender, a balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of such fiscal year; and (C) any of the foregoing at any other time upon Lender’s request;

(ii) except as provided in clause (B) below, within 45 days after the end of each fiscal quarter of Borrower, and (B) within 120 days after the end of each fiscal year of Borrower, and at any other time upon Lender’s request, a rent schedule for the Mortgaged Property showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender;

(iii) within 120 days after the end of each fiscal year of Borrower, and at any other time within ten (10) days of Lender’s request, an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts;

(iv) within 120 days after the end of each fiscal year of Borrower, and at any other time within ten (10) days of Lender’s request, a statement that identifies all owners of any interest in Borrower and the interest held by each, if Borrower is a corporation, all officers and directors of Borrower, and if Borrower is a limited liability company, all managers who are not members;

(v) within ten (10) days of Lender’s request, a rent roll for the Mortgaged Property and a monthly property management report for the Mortgaged Property, showing the number of inquiries made and rental applications received from tenants or prospective tenants and deposits received from tenants and any other information requested by Lender;
(vi) within ten (10) days of Lender’s request, a balance sheet, a statement of income and expenses for Borrower and a statement of changes in financial position (or equivalent) of Borrower for Borrower’s most recent fiscal year;

(vii) annually, if applicable, within sixty (60) days of the date required for submission by the agency in the Property Jurisdiction responsible for monitoring the low income housing tax credit program, a low income housing tax credit compliance report in form and substance acceptable to Lender; and

(viii) if required by Lender, within 30 days of the end of each calendar month, a monthly statement of income and expenses for such calendar month on a year-to-date basis for Borrower’s operation of the Mortgaged Property.

(c) An individual having authority to bind Borrower shall certify each of the statements, schedules and reports required by Section 14(b) to be complete and accurate. Each of the statements, schedules and reports required by Section 14(b) shall be in such form and contain such detail as Lender may require. Lender also may require that any of the Borrower’s annual financial statements listed in Section 14(b) be audited, if applicable, at Borrower’s expense, by independent certified public accountants acceptable to Lender.

(d) If Borrower fails to provide in a timely manner the statements, schedules and reports required by Section 14(b), upon not less than ten (10) days’ prior written notice, Lender shall have the right to have Borrower’s books and records audited, at Borrower’s expense, by independent certified public accountants selected by Lender in order to obtain such statements, schedules and reports, and all related costs and expenses of Lender shall become immediately due and payable and shall become an additional part of the Indebtedness as provided in Section 12.

(e) If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender upon written demand all books and records relating to the Mortgaged Property or its operation.

(f) Borrower authorizes Lender to obtain a credit report on Borrower at any time.

15. TAXES; OPERATING EXPENSES.

(a) Subject to the provisions of Section 15(c) and Section 15(d), Borrower shall pay, or cause to be paid, all Taxes when due and before the imposition of any interest, fine, penalty or cost for nonpayment.

(b) Subject to the provisions of Section 15(c), Borrower shall pay (i) the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including insurance premiums, utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added, and (ii)
insurance premiums at least 30 days prior to the expiration date of each policy of insurance, unless applicable law specifies some lesser period.

(c) If Lender is collecting Imposition Deposits, and to the extent that Lender holds sufficient Imposition Deposits for the purpose of paying a specific Imposition, then Borrower shall not be obligated to pay such Imposition, so long as no Event of Default exists and Borrower has timely delivered to Lender any bills or premium notices that it has received. If an Event of Default exists, Lender may exercise any rights Lender may have with respect to Imposition Deposits without regard to whether Impositions are then due and payable. Lender shall have no liability to Borrower for failing to pay any Impositions to the extent that any Event of Default has occurred and is continuing, insufficient Imposition Deposits are held by Lender at the time an Imposition becomes due and payable or Borrower has failed to provide Lender with bills and premium notices as provided above.

(d) Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Imposition other than insurance premiums, if (i) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (ii) the Mortgaged Property is not in danger of being sold or forfeited, (iii) Borrower deposits with Lender reserves sufficient to pay the contested Imposition, if requested by Lender, and (iv) Borrower furnishes whatever additional security is required in the proceedings or is requested by Lender, which may include the delivery to Lender of the reserves established by Borrower to pay the contested Imposition.

(e) Borrower shall promptly deliver to Lender copies of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender on or before the date this Instrument requires such Impositions to be paid, copies of receipts evidencing that such payments were made.

(f) All payments made by Borrower to Lender pursuant to this Instrument or any of the Loan Documents shall be free and clear of any and all tax liabilities whatsoever (other than United States federal income taxation payable by Lender) and, to the extent Lender is required to pay any such tax liabilities, Borrower shall reimburse Lender in respect of any such payment of taxes and, immediately upon request from Lender, shall deliver to Lender copies of receipts evidencing the payment of such taxes.

16. LIENS; ENCUMBRANCES. Borrower acknowledges that, to the extent provided in Section 21, the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance (a “Lien”) on the Mortgaged Property (other than the lien of this Instrument and the Permitted Encumbrances) or on certain ownership interests in Borrower, whether voluntary, involuntary or by operation of law, and whether or not such Lien has priority over the lien of this Instrument, is a “Transfer” which constitutes an Event of Default and subjects Borrower to personal liability under the Note. Borrower shall maintain the lien created by this Instrument as a first mortgage lien upon the Mortgaged Property, subject to no other Liens or encumbrances other than Permitted Encumbrances.

17. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY.
(a) Borrower shall not intentionally commit waste or, by any act of omission or commission, permit impairment or deterioration of the Mortgaged Property.

(b) Borrower shall not abandon the Mortgaged Property.

(c) Borrower shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair.

(d) Borrower shall keep the Mortgaged Property in good repair (normal wear and tear excepted), including the replacement of Personalty and Fixtures with items of equal or better function and quality.

(e) Borrower shall provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender at all times, under a contract approved by Lender, in writing, which contract must be terminable upon not more than thirty (30) days notice without the necessity of establishing cause and without payment of a penalty or termination fee by Borrower or its successors. There shall be no change in the property manager or any contract for the management of the Mortgaged Property without Lender’s prior written approval. Lender shall have the right to require that Borrower and any new property manager enter into an Assignment of Management Agreement on a form approved by Lender. If required by Lender (whether before or after an Event of Default), Borrower will cause any Affiliate of Borrower to whom fees are payable for the management of the Mortgaged Property to enter into an agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require.

(f) Borrower shall give notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender’s security or Lender’s rights under this Instrument. Borrower shall not (and shall not permit any tenant or other person to) remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property, including any removal, demolition or alteration occurring in connection with a rehabilitation of all or part of the Mortgaged Property, except (i) in connection with the replacement of tangible Personalty and (ii) repairs and replacements in connection with making an individual unit ready for a new occupant.

(g) Unless otherwise waived by Lender in writing, Borrower must have or must establish and must adhere to the MMP. If Borrower is required to have an MMP, Borrower must keep all MMP documentation at the Mortgaged Property or at the management agent’s office and available for Lender or its agents to review during any annual assessment or inspection of the Mortgaged Property that is required by Lender.

18. ENVIRONMENTAL HAZARDS.

(a) Except for matters described in Section 18(b), Borrower shall not cause or permit any of the following:
(i) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property or (whether as a result of activities on the Mortgaged Property or on surrounding properties) any other property of Borrower that is adjacent to the Mortgaged Property;

(ii) the transportation of any Hazardous Materials to, from, or across the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties);

(iii) any occurrence or condition on the Mortgaged Property (whether as a result of activities on the Mortgaged Property or on surrounding properties) or any other property of Borrower that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws;

(iv) any violation of or noncompliance with the material terms of any Environmental Permit with respect to the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property;

(v) the imposition of any environmental lien against the Mortgaged Property; or

(vi) any violation or noncompliance with the material terms of any O&M Program.

The matters described in clauses (i) through (vi) above, except as otherwise provided in Section 18(b), are referred to collectively in this Section 18 as “Prohibited Activities or Conditions”.

(b) Prohibited Activities or Conditions shall not include lawful conditions permitted by an O&M Program or the safe and lawful use and storage of quantities of (i) pre-packaged supplies, cleaning materials, petroleum products, household products, paints, solvents, lubricants and other materials customarily used in the construction, renovation, operation, maintenance or use of comparable multifamily properties, (ii) cleaning materials, household products, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of residential dwelling units in the Mortgaged Property; and (iii) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Mortgaged Property’s parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.

(c) Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Instrument) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing
or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

(d) If and as required by Lender, Borrower shall also establish a written operations and maintenance program with respect to certain Hazardous Materials. Each such operations and maintenance program and any additional or revised operations and maintenance programs established for the Mortgaged Property pursuant to this Instrument must be approved by Lender and shall be referred to herein as an “O&M Program.” Borrower shall comply in a timely manner with, and cause all employees, agents, and contractors of Borrower and any other persons present on the Mortgaged Property to comply with each O&M Program. Borrower shall pay all costs of performance of Borrower’s obligations under any O&M Program, and any Beneficiary Party’s reasonable out-of-pocket costs incurred by such Beneficiary Party in connection with the monitoring and review of each O&M Program and Borrower’s performance shall be paid by Borrower upon demand by such Beneficiary Party. Any such out-of-pocket costs of such Beneficiary Party which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12.

(e) Without limitation of the foregoing, (i) Borrower hereby agrees to implement and maintain during the entire term of the Loan any O&M Program(s) required by Lender, and (ii) if asbestos-containing materials are found to exist at the Mortgaged Property, the O&M Program with respect thereto shall be undertaken consistent with the Guidelines for Controlling Asbestos-Containing Materials in Buildings (USEPA, 1985) and other relevant guidelines and applicable Hazardous Materials Laws.

(f) With respect to any O&M Program, Lender may require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify; (ii) amendments to such O&M Program to address changing circumstances, laws or other matters, including, without limitation, variations in response to reports provided by environmental consultants; and (iii) execution of an Operations and Maintenance Agreement relating to such O&M Program satisfactory to Lender.

(g) Borrower represents and warrants to Beneficiary Parties that, except as otherwise disclosed in the Environmental Reports (as defined in the Agreement of Environmental Indemnification):

(i) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions;

(ii) to the best of Borrower’s knowledge, no Prohibited Activities or Conditions exist or have existed;

(iii) the Mortgaged Property does not now contain any underground storage tanks, and, to the best of Borrower’s knowledge, has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Mortgaged Property that
has been disclosed in the Environmental Reports, that tank complies with all requirements of Hazardous Materials Laws;

(iv) Borrower has complied with and will continue to comply with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials. Without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;

(v) to the best of Borrower’s knowledge, no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit or Hazardous Materials Law;

(vi) there are no actions, suits, claims or proceedings pending or, to the best of Borrower’s knowledge, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition;

(vii) Borrower has not received any written complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;

(viii) no prior Remedial Work (as defined below) has been undertaken, and no Remedial Work is ongoing, with respect to the Mortgaged Property during Borrower’s ownership thereof or, to the best of Borrower’s knowledge, at any time prior to Borrower’s ownership thereof; and

(ix) Borrower has disclosed in the Agreement of Environmental Indemnification all material facts known to Borrower or contained in Borrower’s records the nondisclosure of which could cause any representation or warranty made herein or any statement made in the Agreement of Environmental Indemnification to be false or materially misleading.

The representations and warranties in this Section 18 shall be continuing representations and warranties that shall be deemed to be made by Borrower throughout the term of the Loan, until the Indebtedness has been paid in full or otherwise discharged.
Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events:

(i) Borrower’s discovery of any Prohibited Activity or Condition;

(ii) Borrower’s receipt of or knowledge of any written complaint, order, notice of violation or other communication from any tenant, management agent, Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property;

(iii) Borrower’s receipt of or knowledge of any personal injury claim, proceeding or cause of action directly or indirectly arising as a result of the presence of asbestos or other Hazardous Materials on or from the Mortgaged Property;

(iv) Borrower’s discovery that any representation or warranty in this Section 18 has become untrue after the date of this Instrument; and

(v) Borrower’s breach of any of its obligations under this Section 18.

Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Instrument, the Note, or any other Loan Document.

(i) Borrower shall pay promptly the reasonable costs of any environmental inspections, tests or audits (“Environmental Inspections”) required by Lender or any Beneficiary Party in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender’s consent to any Transfer under Section 21, or required by Lender following a determination by Lender that Prohibited Activities or Conditions may exist. Any such costs incurred by Lender (including, without limitation, fees and expenses of attorneys, expert witnesses, engineers, technical consultants and investigatory fees, whether incurred in connection with any judicial or administrative process or otherwise) that Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12. The results of all Environmental Inspections made by Lender shall at all times remain the property of Lender and Lender shall have no obligation to disclose or otherwise make available to Borrower or any other party such results or any other information obtained by Lender in connection with such Environmental Inspections. Lender hereby reserves the right, and Borrower hereby expressly authorizes Lender, to make available to any party, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections made by Lender with respect to the Mortgaged Property. Borrower consents to Lender notifying any party (either as part of a notice of sale or otherwise) of the results of any of Lender’s Environmental Inspections. Borrower acknowledges that Lender cannot control or otherwise assure the truthfulness or accuracy of the results of any of its Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount which a party may bid at such sale.
Borrower agrees that Lender shall have no liability whatsoever as a result of delivering the results of any of its Environmental Inspections to any third party, and Borrower hereby releases and forever discharges Lender from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any of Lender’s Environmental Inspections.

(j) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work (“Remedial Work”) is necessary to comply with or cure a violation of any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property under any Hazardous Materials Law, or is otherwise required by Lender as a consequence of any Prohibited Activity or Condition or to prevent the occurrence of a Prohibited Activity or Condition, Borrower shall, by the earlier of (i) the applicable deadline required by such Hazardous Materials Law or (ii) thirty (30) days after notice from Lender demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by such Hazardous Materials Law. Borrower shall promptly provide Lender with a cost estimate from an environmental consultant acceptable to Lender to complete any required Remedial Work. If required by Lender, Borrower shall promptly establish with Lender a reserve fund in the amount of such estimate. If in Lender’s opinion the amount reserved at any time during the Remedial Work is insufficient to cover the work remaining to complete the Remedial Work or achieve compliance, Borrower shall increase the amount reserved in compliance with Lender’s written request. All amounts so held in reserve, until disbursed, are hereby pledged to Lender as security for payment of Borrower’s obligations under this Instrument. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, and after notice to Borrower, cause the Remedial Work to be completed, in which case Borrower shall reimburse Lender on demand for the cost of doing so. Any reimbursement due from Borrower to Lender shall become part of the Indebtedness as provided in Section 12.

(k) Borrower shall comply with all Hazardous Materials Laws applicable to the Mortgaged Property. Without limiting the generality of the previous sentence, Borrower shall (i) obtain and maintain all Environmental Permits required by Hazardous Materials Laws and comply with all conditions of such Environmental Permits; (ii) cooperate with any inquiry by any Governmental Authority; and (iii) comply with any governmental or judicial order that arises from any alleged Prohibited Activity or Condition.

(l) BORROWER SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND BENEFICIARY PARTIES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, EMPLOYEES, AGENTS, ATTORNEYS, TRUSTEES, HEIRS AND LEGAL REPRESENTATIVES (COLLECTIVELY, THE “INDEMNITEES”) FROM AND AGAINST ALL LOSSES, PROCEEDINGS, CLAIMS, DAMAGES, PENALTIES AND REASONABLE COSTS (WHETHER INITIATED OR SOUGHT BY GOVERNMENTAL AUTHORITIES OR PRIVATE PARTIES), INCLUDING, WITHOUT LIMITATION, FEES AND OUT-OF-POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, ENGINEERING FEES, ENVIRONMENTAL CONSULTANT FEES, INVESTIGATORY FEES, AND REMEDIATION COSTS (INCLUDING, WITHOUT LIMITATION, ANY FINANCIAL ASSURANCES REQUIRED TO BE POSTED FOR
COMPLETION OF REMEDIAL WORK AND REASONABLE COSTS ASSOCIATED WITH ADMINISTRATIVE OVERSIGHT), AND ANY OTHER LIABILITIES OF WHATEVER KIND AND WHATEVER NATURE, WHETHER INCURRED IN CONNECTION WITH ANY JUDICIAL OR ADMINISTRATIVE PROCESS OR OTHERWISE, ARISING DIRECTLY OR INDIRECTLY FROM ANY OF THE FOLLOWING:

(i) ANY BREACH OF ANY REPRESENTATION OR WARRANTY OF BORROWER IN THIS SECTION 18;

(ii) ANY FAILURE BY BORROWER TO PERFORM ANY OF ITS OBLIGATIONS UNDER THIS SECTION 18;

(iii) THE EXISTENCE OR ALLEGED EXISTENCE OF ANY PROHIBITED ACTIVITY OR CONDITION;

(iv) THE PRESENCE OR ALLEGED PRESENCE OF HAZARDOUS MATERIALS ON OR UNDER THE MORTGAGED PROPERTY (WHETHER AS A RESULT OF ACTIVITIES ON THE MORTGAGED PROPERTY OR ON SURROUNDING PROPERTIES) OR IN ANY OF THE IMPROVEMENTS OR ON OR UNDER ANY PROPERTY OF BORROWER THAT IS ADJACENT TO THE MORTGAGED PROPERTY;

(v) THE ACTUAL OR ALLEGED VIOLATION OF ANY HAZARDOUS MATERIALS LAW;

(vi) ANY LOSS OR DAMAGE RESULTING FROM A LOSS OF PRIORITY OF THIS INSTRUMENT OR ANY OTHER LOAN DOCUMENT DUE TO AN IMPOSITION OF AN ENVIRONMENTAL LIEN AGAINST THE MORTGAGED PROPERTY; AND

(vii) ANY PERSONAL INJURY CLAIM, PROCEEDING OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY ARISING AS A RESULT OF THE PRESENCE OF ASBESTOS OR OTHER HAZARDOUS MATERIALS ON OR FROM THE MORTGAGED PROPERTY.

(m) COUNSEL SELECTED BY BORROWER TO DEFEND INDEMNITEES SHALL BE SUBJECT TO THE APPROVAL OF THOSE INDEMNITEES. IN ANY CIRCUMSTANCES IN WHICH THE INDEMNITY UNDER THIS SECTION 18 APPLIES, ANY BENEFICIARY PARTY MAY EMPLOY ITS OWN LEGAL COUNSEL AND CONSULTANTS TO PROSECUTE, DEFEND OR NEGOTIATE ANY CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING AT BORROWER’S EXPENSE, AND SUCH BENEFICIARY PARTY, WITH THE PRIOR WRITTEN CONSENT OF BORROWER (WHICH SHALL NOT BE UNREASONABLY WITHHELD, DELAYED OR CONDITIONED) MAY SETTLE OR COMPROMISE ANY ACTION OR LEGAL OR ADMINISTRATIVE PROCEEDING. BORROWER SHALL REIMBURSE SUCH
BENEFICIARY PARTY UPON DEMAND FOR ALL COSTS AND EXPENSES INCURRED BY SUCH BENEFICIARY PARTY, INCLUDING, WITHOUT LIMITATION, ALL COSTS OF SETTLEMENTS ENTERED INTO IN GOOD FAITH, AND THE FEES AND OUT OF POCKET EXPENSES OF SUCH ATTORNEYS AND CONSULTANTS.

(n) BORROWER SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF THOSE INDEMNITEES WHO ARE NAMED AS PARTIES TO A CLAIM OR LEGAL OR ADMINISTRATIVE PROCEEDING (A “CLAIM”), SETTLE OR COMPROMISE THE CLAIM IF THE SETTLEMENT (1) RESULTS IN THE ENTRY OF ANY JUDGMENT THAT DOES NOT INCLUDE AS AN UNCONDITIONAL TERM THE DELIVERY BY THE CLAIMANT OR PLAINTIFF TO BENEFICIARY PARTIES OF A WRITTEN RELEASE OF THOSE INDEMNITEES, SATISFACTORY IN FORM AND SUBSTANCE TO LENDER; OR (2) MAY MATERIALLY AND ADVERSELY AFFECT BENEFICIARY PARTIES, AS DETERMINED BY LENDER IN ITS DISCRETION.

(o) BORROWER’S OBLIGATION TO INDEMNIFY THE INDEMNITEES SHALL NOT BE LIMITED OR IMPAIRED BY ANY OF THE FOLLOWING, OR BY ANY FAILURE OF BORROWER OR ANY GUARANTOR TO RECEIVE NOTICE OF OR CONSIDERATION FOR ANY OF THE FOLLOWING:

(i) ANY AMENDMENT OR MODIFICATION OF ANY LOAN DOCUMENT;

(ii) ANY EXTENSIONS OF TIME FOR PERFORMANCE REQUIRED BY ANY LOAN DOCUMENT;

(iii) ANY PROVISION IN ANY LOAN DOCUMENT LIMITING BENEFICIARY PARTIES’ RECOERCENCE TO PROPERTY SECURING THE INDEBTEDNESS, OR LIMITING THE PERSONAL LIABILITY OF BORROWER OR ANY OTHER PARTY FOR PAYMENT OF ALL OR ANY PART OF THE INDEBTEDNESS;

(iv) THE ACCURACY OR INACCURACY OF ANY REPRESENTATIONS AND WARRANTIES MADE BY BORROWER UNDER THIS INSTRUMENT OR ANY OTHER LOAN DOCUMENT;

(v) THE RELEASE OF BORROWER OR ANY OTHER PERSON, BY BENEFICIARY PARTIES OR BY OPERATION OF LAW, FROM PERFORMANCE OF ANY OBLIGATION UNDER ANY LOAN DOCUMENT;

(vi) THE RELEASE OR SUBSTITUTION IN WHOLE OR IN PART OF ANY SECURITY FOR THE INDEBTEDNESS; AND
(vii) FAILURE BY BENEFICIARY PARTIES TO PROPERLY PERFECT ANY LIEN OR SECURITY INTEREST GIVEN AS SECURITY FOR THE INDEBTEDNESS.

(p) BORROWER SHALL, AT ITS OWN COST AND EXPENSE, DO ALL OF THE FOLLOWING:

(i) PAY OR SATISFY ANY JUDGMENT OR DECREE THAT MAY BE ENTERED AGAINST ANY INDEMNITEE OR INDEMNITEES IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING INCIDENT TO ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS SECTION 18;

(ii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES PAID OR INCURRED IN CONNECTION WITH ANY MATTERS AGAINST WHICH INDEMNITEES ARE ENTITLED TO BE INDEMNIFIED UNDER THIS SECTION 18; AND

(iii) REIMBURSE INDEMNITEES FOR ANY AND ALL EXPENSES, INCLUDING, WITHOUT LIMITATION, FEES AND REASONABLE OUT OF POCKET EXPENSES OF ATTORNEYS AND EXPERT WITNESSES, PAID OR INCURRED IN CONNECTION WITH THE ENFORCEMENT BY INDEMNITEES OF THEIR RIGHTS UNDER THIS SECTION 18, OR IN MONITORING AND PARTICIPATING IN ANY LEGAL OR ADMINISTRATIVE PROCEEDING.

(q) THE PROVISIONS OF THIS SECTION 18 SHALL BE IN ADDITION TO ANY AND ALL OTHER OBLIGATIONS AND LIABILITIES THAT BORROWER MAY HAVE UNDER APPLICABLE LAW OR UNDER ANY OTHER LOAN DOCUMENT, AND EACH INDEMNITEE SHALL BE ENTITLED TO INDEMNIFICATION UNDER THIS SECTION 18 WITHOUT REGARD TO WHETHER ANY OTHER BENEFICIARY PARTY OR THAT INDEMNITEE HAS EXERCISED ANY RIGHTS AGAINST THE MORTGAGED PROPERTY OR ANY OTHER SECURITY, PURSUED ANY RIGHTS AGAINST ANY GUARANTOR, OR PURSUED ANY OTHER RIGHTS AVAILABLE UNDER THE LOAN DOCUMENTS OR APPLICABLE LAW. IF BORROWER CONSISTS OF MORE THAN ONE PERSON OR ENTITY, THE OBLIGATION OF THOSE PERSONS OR ENTITIES TO INDEMNIFY THE INDEMNITEES UNDER THIS SECTION 18 SHALL BE JOINT AND SEVERAL. THE OBLIGATION OF BORROWER TO INDEMNIFY THE INDEMNITEES UNDER THIS SECTION 18 SHALL SURVIVE ANY REPAYMENT OR DISCHARGE OF THE INDEBTEDNESS, ANY FORECLOSURE PROCEEDING, ANY FORECLOSURE SALE, ANY DELIVERY OF ANY DEED IN LIEU OF FORECLOSURE, AND ANY RELEASE OF RECORD OF THE LIEN OF THIS INSTRUMENT.

(r) Notwithstanding anything herein to the contrary, (i) Borrower shall have no obligation hereunder to indemnify any Indemnitee for any liability under this Section 18 to
the extent that the Prohibited Activity or Condition giving rise to such liability resulted solely from the gross negligence or willful misconduct of such Indemnitee, and (ii) Borrower’s liability under this Section 18 shall not extend to cover the violation of any Hazardous Materials Laws or Prohibited Activities or Conditions that first arise, commence or occur as a result of actions of Lender, its successors, assigns or designees, after the satisfaction, discharge, release, assignment, termination or cancellation of this Instrument following the payment in full of the Note and all other sums payable under the Loan Documents or after the actual dispossession from the entire Mortgaged Property of Borrower and all Affiliates of Borrower following foreclosure of this Instrument or acquisition of the Mortgaged Property by a deed in lieu of foreclosure.

19. **PROPERTY AND LIABILITY INSURANCE.**

(a) Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time require, which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, business income coverage and extra expense insurance, coverage against acts of terrorism, mold and earthquake coverage (if available at commercially reasonable prices). Borrower acknowledges and agrees that Lender’s insurance requirements may change from time to time throughout the term of the Indebtedness. If Lender so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. If any portion of the Improvements is at any time located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area now or hereafter having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood in an amount equal to the maximum amount available under the National Flood Insurance Program or any successor thereto.

(b) All premiums on insurance policies required under Section 19(a) shall be paid in the manner provided in Section 7, unless Lender has designated in writing another method of payment. All such policies shall also be in a form approved by Lender. Lender shall have the right to hold the original policies or duplicate original policies of all insurance required by Section 19(a). All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 10 days prior to the expiration date of a policy, Borrower shall deliver to Lender a copy or a duplicate original of a renewal policy and an original certificate, in form satisfactory to Lender.

(c) All insurance policies and renewals of insurance policies required by this Section 19 shall be in such amounts and for such periods as Lender may from time to time require consistent with Lender’s then current practices and standards, and shall be issued by insurance companies satisfactory to Lender.

(d) From and after the Conversion Date, all insurance policies and renewals of insurance policies required by this Section 19 shall also comply with any applicable Credit Enhancer Insurance Standards. During any period of construction and/or rehabilitation, and at all times prior to occupancy of the Project by any tenants following the completion of the construction and/or rehabilitation of the Project in accordance with the Borrower Loan...
Agreement and the Construction Funding Agreement, the following provisions shall apply, in addition to the other provisions of this Section 19 and without limiting the generality of the other provisions of this Section 19:

(i) Borrower shall provide (or cause to be provided), maintain and keep in force, the following insurance coverage:

(A) Builder’s “all risk” insurance or the equivalent coverage, including theft, to insure all buildings, machinery, equipment, materials, supplies, temporary structures and all other property of any nature on-site, off-site and while in transit which is to be used in fabrication, erection, installation and construction and/or rehabilitation of the Project, and to remain in effect until the entire Project has been completed and accepted by Borrower and is first occupied by any tenants (provided that in any event, such coverage shall remain in effect until such time as Borrower has provided Lender with evidence of property insurance covering the Improvements and meeting the requirements of this Section 19). Such insurance shall be provided on a replacement cost value basis and shall include foundations, other underground property, tenant improvements and personal property. If tenant improvements and personal property are not included in the above coverage, they may be insured separately by Borrower provided coverage is acceptable to Lender. Builders “all risk” insurance shall (i) be on a nonreporting, completed value form, (ii) cover soft costs, debris removal expense (including removal of pollutants), resulting loss and damage to property due to faulty or defective workmanship or materials and error in design or specification, loss while the property is in the care, custody and control of others to whom the property may be entrusted, (iii) provide that Borrower can complete and occupy the Mortgaged Property without further written consent from the insurer, and (iv) cover loss of income resulting from delay in occupancy and use of the Mortgaged Property due to loss. During the initial construction and/or rehabilitation of the Project and until such time as the Project is first occupied by any tenants, the Borrower shall not be required to maintain property insurance as required by this Section 19 for so long as Builder’s “all risk” insurance or equivalent coverage is maintained in accordance with this paragraph.

(B) If any portion of the Mortgaged Property is or becomes located in an area identified by the United States Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 and Flood Disaster Protection Act of 1973, as amended, Borrower shall also keep the improvements and the equipment located thereon insured against loss by flood in an amount at least equal to the principal amount of the Loan or the maximum limits of coverage available with respect to the Mortgaged Property, whichever is less. All such insurance shall also cover continuing expenses not directly involved
in the direct cost of construction, rehabilitation or renovation, including interest on money borrowed to finance construction, rehabilitation or renovation, continuing interest on the Loan, advertising, promotion, real estate taxes and other assessments, the cost of renegotiating leases, and other expenses incurred as the result of property loss or destruction by the insured peril. Such coverage shall not contain any monthly limitation.

(ii) If Lender fails to receive proof and evidence of the insurance required hereunder, Lender shall have the right, but not the obligation, to obtain or cause to be obtained current coverage and to make a Disbursement, as defined in the Borrower Loan Agreement (or, in its sole discretion, advance funds) to pay the premiums for it. If Lender makes an advance for such purpose, Borrower shall repay such advance immediately on demand and such advance shall be considered to be a demand loan to Borrower bearing interest at the Default Rate (as defined by the Note) and secured by the Mortgaged Property.

(e) Borrower shall maintain at all times commercial general liability insurance, workers’ compensation insurance and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time require, consistent with Lender’s then current practices and standards (and from and after the Conversion Date, any applicable Credit Enhancer Insurance Standards).

(f) Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

(g) In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such property damage insurance policies, to collect and receive the proceeds of property damage insurance in the event that Borrower fails to do so to the satisfaction of Lender, and to deduct from such proceeds Lender’s expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require Lender to incur any expense or take any action. Lender may, at Lender’s option, (i) hold the balance of such proceeds to be used to reimburse Borrower for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or to a condition approved by Lender (the “Restoration”), or (ii) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due subject to Section 19(h) below. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall apply the proceeds in accordance with Lender’s then-current policies relating to the restoration of casualty damage on similar multifamily properties.

(h) Lender shall not exercise its option to apply insurance proceeds to the payment of the Indebtedness if all of the following conditions are met: (i) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (ii) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration; (and complete construction of the
Project in accordance with the Loan Agreement and the Plans and Specifications, as defined therein, if such construction has not been completed at such time) (iii) Lender determines, in its discretion, that the net operating income generated by the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (iv) Lender determines, in its discretion, that the Restoration will be completed before the earliest of (A) six months before the Mandatory Prepayment Date set forth in the Note, if Conversion, as defined in the Construction Funding Agreement, has not yet occurred, (B) six months before the Outside Conversion Date, as defined by the Borrower Loan Agreement, if Conversion, has not yet occurred, or (C) one year after the date of the loss or casualty; and (v) upon Lender’s request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained pursuant to this Instrument.

(i) If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

(j) Unless Lender otherwise agrees in writing, any application of any insurance proceeds to the Indebtedness shall not extend or postpone the due date of any monthly installments referred to in the Note, Section 7 of this Instrument or any Collateral Agreement, or change the amount of such installments, except as provided in the Note.

(k) Borrower agrees to execute such further evidence of assignment of any insurance proceeds as Lender may require.

(l) Borrower further agrees that to the extent that Borrower obtains any form of property damage insurance for the Mortgaged Property or any portion thereof that insures perils not required to be insured against by Lender, such policy of property damage insurance shall include a standard mortgagee clause and shall name Lender as loss payee and, within ten (10) days following Borrower’s purchase of such additional insurance, Borrower shall cause to be delivered to Lender a certified original certificate and evidence of coverage in form satisfactory to Lender. Any insurance proceeds payable to Borrower under such policy shall be additional security for the Indebtedness and Lender shall have the same rights to such policy and proceeds as it has with respect to insurance policies required by Lender pursuant to this Section 19 (except that Lender shall not require that the premium for such additional insurance be included among the Imposition Deposits).

20. CONDEMNATION.

(a) Borrower shall promptly notify Lender in writing of any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a “Condemnation”) and shall deliver to the Lender copies of any and all papers served in connection with such Condemnation. Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender’s or Borrower’s name, any action or proceeding
relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 20 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.

(b) Subject to the provisions of Section 20(c) below, Lender may apply such awards or proceeds, after the deduction of Lender’s expenses incurred in the collection of such amounts (including, without limitation, fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees, whether incurred in connection with any judicial or administrative process or otherwise), at Lender’s option, to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness in accordance with the provisions of the Note as to application of payments to the Indebtedness, with the balance, if any, to Borrower. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of payments due under the Note, Section 7 of this Instrument or any Collateral Agreement or any other Loan Document, or change the amount of such payments, except as otherwise provided in the Note. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

(c) Lender shall not exercise its option to apply condemnation awards to the payment of the Indebtedness if all of the following conditions are met: (i) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (ii) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration; (iii) Lender determines, in its discretion, that the rental income from the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (iv) Lender determines, in its discretion, that any applicable Restoration will be completed before the earlier of (A) six months before the Mandatory Prepayment Date set forth in the Note, if Conversion, as defined in the Construction Funding Agreement, has not yet occurred, (B) six months before the Outside Conversion Date, as defined by the Borrower Loan Agreement, if Conversion, has not yet occurred, or (C) one year after the date of the condemnation; and (v) upon Lender’s request, Borrower provides Lender evidence of the availability during and after any required Restoration of the insurance required to be maintained pursuant to this Instrument.

21. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER.

(a) The occurrence of any of the following events shall constitute an Event of Default under this Instrument:

(i) other than the lien of this Instrument and the Permitted Encumbrances, a Transfer of all or any part of the Mortgaged Property or any interest in the Mortgaged Property;
(ii) a Transfer of a Controlling Interest in Borrower;

(iii) a Transfer of a Controlling Interest in any entity which owns, directly or indirectly through one or more intermediate entities, a Controlling Interest in Borrower;

(iv) a Transfer of all or any part of a Guarantor’s ownership interests in Borrower, or in any other entity which owns, directly or indirectly through one or more intermediate entities, an ownership interest in Borrower (other than a Transfer of an aggregate beneficial ownership interest in Borrower of 49% or less of such Guarantor’s original ownership interest in Borrower and which does not otherwise result in a Transfer of the Guarantor’s Controlling Interest in such intermediate entities or in Borrower);

(v) if Guarantor is an entity, (A) a Transfer of a Controlling Interest in Guarantor, or (B) a Transfer of a Controlling Interest in any entity which owns, directly or indirectly through one or more intermediate entities, a Controlling Interest in Guarantor;

(vi) if Borrower or Guarantor is a trust, the termination or revocation of such trust; unless the trust is terminated as a result of the death of an individual trustor, in which event Lender must be notified and such Borrower or Guarantor must be replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged);

(vii) if Guarantor is a natural person, the death of such individual; unless the Lender is notified and provided evidence that the estate has ratified the Guaranty or such individual is replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 180 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged);

(viii) the merger, dissolution, liquidation, or consolidation of (i) Borrower, (ii) any Guarantor that is a legal entity, or (iii) any legal entity holding, directly or indirectly, a Controlling Interest in Borrower or in any Guarantor that is an entity;

(ix) a conversion of Borrower from one type of legal entity into another type of legal entity (including the conversion of a general partnership into a limited partnership and the conversion of a limited partnership into a limited liability company), whether or not there is a Transfer; if such conversion results in a change in any assets, liabilities, legal rights or obligations of Borrower (or of...
any Guarantor, or any general partner of Borrower, as applicable), by operation of law or otherwise;

(x) a Transfer of the economic benefits or right to cash flows attributable to the ownership interests in Borrower and/or, if Guarantor is an entity, Guarantor, separate from the Transfer of the underlying ownership interests, unless the Transfer of the underlying ownership interests would otherwise not be prohibited by this Instrument; and

(xi) the filing, recording, or consent to filing or recording of any plat or map subdividing, replatting or otherwise affecting the Mortgaged Property or any other replat or subdivision of the Mortgaged Property, whether or not any such action affects the priority of the lien of this Instrument.

Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 21.

(b) The occurrence of any of the following events shall not constitute an Event of Default under this Instrument, notwithstanding any provision of Section 21(a) to the contrary (each, a “Permitted Transfer”):

(i) a Transfer to which Lender has consented;

(ii) except as provided in Section 21(a)(vi) and (vii), a Transfer that occurs by devise, descent, pursuant to the provisions of a trust, or by operation of law upon the death of a natural person;

(iii) the grant of a leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;

(iv) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by or permitted pursuant to the Loan Documents or consented to by Lender;

(v) the grant of an easement, servitude, or restrictive covenant if, before the grant, Lender determines that the easement, servitude, or restrictive covenant will not materially affect the operation or value of the Mortgaged Property or Lender’s interest in the Mortgaged Property, and Borrower pays to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower’s request; provided, however, utility easements of a type usually permitted or required to operate a multifamily project in the Property Jurisdiction (such as, by way of
example, gas, sewer and electricity supplier easements and easements to provide cable service) shall be deemed to be Permitted Transfers without the need for Lender’s prior review or determination so long as (A) such easement does not obligate Borrower to incur any additional costs, (B) such easement does not grant the grantee of the easement the option to acquire any other estate in the Mortgaged Property, and (C) Lender is not obligated to subordinate the lien of this Security Instrument to the proposed easement;

(vi) the creation of a mechanic’s, materialman’s, or judgment lien against the Mortgaged Property which is released of record or otherwise remedied to Lender’s satisfaction within 45 days after Borrower has actual or constructive notice of the existence of such lien; and

(vii) the conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under this Instrument.

(c) Lender shall consent to a Transfer that would otherwise violate this Section 21 if, prior to the Transfer, Borrower has satisfied each of the following requirements:

(i) the submission to Lender of all information required by Lender to make the determination required by this Section 21(c);

(ii) the absence of any Event of Default;

(iii) the transferee meets all of the eligibility, credit, management, and other standards (including any standards with respect to previous relationships between Lender and the transferee and the organization of the transferee) customarily applied by Lender at the time of the proposed Transfer to the approval of borrowers in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by Lender in exchange for such additional conditions as Lender may require;

(iv) the Mortgaged Property, at the time of the proposed Transfer, meets all standards as to its physical condition that are customarily applied by Lender at the time of the proposed Transfer to the approval of properties in connection with the origination or purchase of similar mortgage finance structures on similar multifamily properties, unless partially waived by Lender in exchange for such additional conditions as Lender may require;

(v) if the transferor or any other person has obligations under any Loan Document, the execution by the transferee or one or more individuals or entities acceptable to Lender of an assumption
agreement that is acceptable to Lender and that, among other things, requires the transferee to perform all obligations of transferor or such person set forth in such Loan Document, and may require that the transferee comply with any provisions of this Instrument or any other Loan Document which previously may have been waived by Lender;

(vi) if a guaranty has been executed and delivered by the transferor in connection with the Note, this Instrument or any of the other Loan Documents, Borrower causes one or more individuals or entities acceptable to Lender to execute and deliver to Lender a substitute guaranty in a form acceptable to Lender;

(vii) Lender’s receipt of all of the following:

(1) a non-refundable review fee in the amount of $3,000 and a transfer fee equal to one percent (1%) of the outstanding Indebtedness immediately prior to the Transfer; and

(2) Borrower’s reimbursement of all of Lender’s out-of-pocket costs (including reasonable attorneys’ fees) incurred in reviewing the Transfer request, to the extent such expenses exceed $3,000; and

(viii) Borrower has agreed to Lender’s conditions to approve such Transfer, which may include, but are not limited to (A) providing additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of the Mortgaged Property, and (B) amending the Loan Documents to (i) delete any specially negotiated terms or provisions previously granted for the exclusive benefit of transferor and (ii) restore to original provisions of the standard Lender’s form multifamily loan documents, to the extent such provisions were previously modified.

(ix) Lender’s receipt of evidence of consent to the Transfer, to the extent required pursuant to the terms of the Regulatory Agreement.

(d) For purposes of this Section, the following terms shall have the meanings set forth below:

(i) A Transfer of a “Controlling Interest” shall mean:

(1) with respect to any entity, the following:

(i) if such entity is a general partnership or a joint venture, a Transfer of any general partnership interest or joint venture interest which would cause the Initial Owners to own less
than a Controlling Percentage of all general partnership or joint venture interests in such entity;

(ii) if such entity is a limited partnership, (A) a Transfer of any general partnership interest, or (B) a Transfer of any partnership interests which would cause the Initial Owners to own less than a Controlling Percentage of all limited partnership interests in such entity;

(iii) if such entity is a limited liability company or a limited liability partnership, (A) a Transfer of any membership or other ownership interest which would cause the Initial Owners to own less than a Controlling Percentage of all membership or other ownership interests in such entity, (B) a Transfer of any membership, or other interest of a manager, in such entity that results in a change of manager, or (C) a change of the non-member manager;

(iv) if such entity is a corporation (other than a Publicly-Held Corporation) with only one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than a Controlling Percentage of voting stock in such corporation;

(v) if such entity is a corporation (other than a Publicly-Held Corporation) with more than one class of voting stock, a Transfer of any voting stock which would cause the Initial Owners to own less than a sufficient number of shares of voting stock having the power to elect the majority of directors of such corporation; and

(vi) if such entity is a trust (other than a Publicly-Held Trust), the removal, appointment or substitution of a trustee of such trust other than (A) in the case of a land trust, or (B) if the trustee of such trust after such removal, appointment, or substitution is a trustee identified in the trust agreement approved by Lender; and/or

(2) any agreement (including provisions contained in the organizational and/or governing documents of Borrower or Guarantor) or Transfer not specified in clause (A), the effect of which, either immediately or after the passage of time or occurrence of a specified event or condition, including the failure of a specified event or condition to occur or be satisfied, would (i) cause a change in or replacement of the Person that controls the management and operations of the Borrower or Guarantor or (ii) limit or otherwise modify the extent of such Person’s control over the management and operations of Borrower or Guarantor.
“Controlling Percentage” shall mean (i) greater than 50% of the ownership interests in an entity, or (ii) a percentage ownership interest in an entity of 50% or less if the owner(s) of that interest actually direct(s) the business and affairs of the entity without requirement of consent of any other party.

“Publicly-Held Corporation” shall mean a corporation the outstanding voting stock of which is registered under Section 12(b) or 12(g) of the Securities and Exchange Act of 1934, as amended.

“Publicly-Held Trust” shall mean a real estate investment trust the outstanding voting shares or beneficial interests of which are registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

Lender shall be provided with written notice of all Transfers under this Section 21, whether or not such Transfers are permitted under Section 21(b) or approved by Lender under Section 21(c), no later than 10 days prior to the date of the Transfer.

22. EVENTS OF DEFAULT. The occurrence of any one or more of the following shall constitute an Event of Default under this Instrument:

(a) (i) any failure by Borrower to pay or deposit any payment of principal, interest, principal reserve fund deposit, any payment with a specified due date, or any other scheduled payment or deposit required by the Note, this Instrument or any other Loan Document when such payment or deposit is due or (ii) any failure by Borrower to pay or deposit any unscheduled payment or deposit, or other payment or deposit without a specified due date, required by the Note, this Instrument or any other Loan Document, within five (5) days after written notice from Lender;

(b) any failure by Borrower to maintain the insurance coverage required by Section 19;

(c) any failure by Borrower to comply with the provisions of Section 33;

(d) fraud or material misrepresentation or material omission by Borrower or Guarantor, any of their respective officers, directors, trustees, general partners, managing members, managers, agents or representatives in connection with (i) the application for the Loan, (ii) any financial statement, rent roll, or other report or information provided to Lender during the term of the Indebtedness, or (iii) any request for Lender’s consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement;

(e) any of Borrower’s representations and warranties in this Instrument is false or misleading in any material respect;

(f) any Event of Default under Section 21;
(g) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender’s judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Instrument or Lender’s interest in the Mortgaged Property;

(h) any failure by Borrower to perform or comply with any of its obligations under this Instrument (other than those specified in this Section 22), as and when required, which continues for a period of thirty (30) days after written notice of such failure by Lender to Borrower; provided, however, if such failure is susceptible of cure but cannot reasonably be cured within such thirty (30) day period, and the Borrower shall have commenced to cure such failure within such thirty (30) day period and thereafter diligently and expeditiously proceeded to cure the same, such thirty (30) day period shall be extended for an additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such failure, such additional period, not to exceed sixty (60) days. However, no such notice or grace period shall apply to the extent such failure could, in Lender’s judgment, absent immediate exercise by Lender of a right or remedy under this Instrument, result in harm to Lender, impairment of the Note or this Instrument or any other security given under any other Loan Document;

(i) any failure by Borrower or any Guarantor to perform any of its obligations as and when required under any Loan Document other than this Instrument which continues beyond the applicable notice and cure period, if any, specified in that Loan Document;

(j) any exercise by the holder of any debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable;

(k) the occurrence of a Bankruptcy Event;

(l) any Event of Default (as defined in any of the Loan Documents), which continues beyond the expiration of any applicable cure period;

(m) any breach of, or event of default as defined in, any other document or agreement relating to the Loan or the provision of low income housing tax credits to the Mortgaged Property to which Borrower is a party, which continues beyond the expiration of any applicable notice and cure period thereunder;

(n) any failure by Borrower or the Project to qualify for low income housing tax credits pursuant to the provisions of Section 42 of the Internal Revenue Code;

(o) any failure by the Borrower to satisfy the Conditions to Conversion on or before the Outside Conversion Date (as such date may be extended in accordance with the Construction Funding Agreement);

(p) any amendment, modification, waiver or termination of any of the provisions of Borrower’s Organizational Documents without the prior written consent of Lender, other than (i) modifications necessary to reflect the occurrence of a Permitted Transfer or (ii) modifications that do not: (A) impose any additional or greater obligations on Borrower or any of the partners, managers or members of Borrower, (B) reduce or relieve Borrower or any of the...
partners, managers or members of Borrower of any of their obligations, (C) modify the timing, amounts, number, conditions or other terms of the installments or other payment obligations of the partners or members of Borrower or (D) impair the collateral for the Loan; provided, however, that Borrower shall promptly provide to Lender a copy of any modifications to Borrower’s Organizational Documents that do not require Lender’s consent;

(q) (i) any material breach of any Material Property Agreement by Borrower or its officers, directors, employees, agents or tenants that continues beyond any applicable notice and cure period; (ii) any failure by Borrower or its officers, directors, employees or agents or any other party to deliver concurrently (in case of notices given) or promptly (in case of notices received) copies of any and all notices received or given thereby to Lender with respect to any Material Property Agreement; or (iii) any breach of the representations, warranties, or covenants set forth in Section 6.1.15 of the Construction Funding Agreement;

(r) if Borrower or any Guarantor is a trust, the termination or revocation of any such trust; unless the trust is terminated as a result of the death of an individual trustor, in which event Lender must be notified and such Borrower or Guarantor must be replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 90 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged); or

(s) if any Guarantor is a natural person, the death of such individual; unless the Lender is notified and provided evidence that the estate has ratified the Guaranty or such individual is replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 21(c) hereof, within 180 days of such death (provided however that no property inspection shall be required and a 1% transfer fee will not be charged).

23. REMEDIES CUMULATIVE. Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

24. FORBEARANCE.

(a) Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any guarantor or other third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Instrument, the Note, or any other Loan Document; release anyone liable for the payment of any amounts under this Instrument, the Note, or any other Loan Document; accept a renewal of the Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable under the Note; and otherwise modify this Instrument, the Note, or any other Loan Document.

(b) Any forbearance by Lender in exercising any right or remedy under the Note, this Instrument, or any other Loan Document or otherwise afforded by applicable law,
shall not be a waiver of or preclude the exercise of any other right or remedy, or the subsequent exercise of any right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender’s right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender. Lender’s receipt of any awards or proceeds under Sections 19 and 20 shall not operate to cure or waive any Event of Default.

25. WAIVER OF STATUTE OF LIMITATIONS. BORROWER HEREBY WAIVES THE RIGHT TO ASSERT ANY STATUTE OF LIMITATIONS AS A BAR TO THE ENFORCEMENT OF THE LIEN OF THIS INSTRUMENT OR TO ANY ACTION BROUGHT TO ENFORCE ANY LOAN DOCUMENT.

26. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Instrument, the Note, any other Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Instrument waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Instrument.

27. FURTHER ASSURANCES. Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveysances, assignments, estoppel certificates, financing statements or amendments, transfers and assurances as Lender may require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Instrument and the Loan Documents. In furtherance thereof, on the request of Lender, Borrower shall re-execute or ratify any of the Loan Documents or execute any other documents or take such other actions as may be necessary to effect the assignment, pledge or other transfer of the Loan to any party that may purchase, insure, credit enhance or otherwise finance all or any part of the Loan, including, without limitation, any Credit Enhancer (including Freddie Mac, Fannie Mae, the U.S. Department of Housing and Urban Development, or any insurance company, conduit lender or any other lender or investor. Notwithstanding the foregoing sentence, in no event shall Borrower be required to execute and deliver any document or perform any act otherwise required pursuant to the foregoing sentence to the extent such document or act imposes a material additional obligation or liability on Borrower or materially adversely affects the rights of Borrower under any Loan Document.

28. ESTOPPEL CERTIFICATE. Within 10 days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement, (i) that
the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Note; (iii) the date to which interest under the Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Instrument or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and (vi) any additional facts requested by Lender.

29. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE.

(a) This Instrument, and any Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the Property Jurisdiction.

(b) Borrower agrees that any controversy arising under or in relation to the Note, this Instrument, or any other Loan Document may be litigated in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have jurisdiction over all controversies that shall arise under or in relation to the Note, any security for the Indebtedness, or any other Loan Document. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing in this Section 29 is intended to limit Lender’s right to bring any suit, action or proceeding relating to matters arising under this Instrument in any court of any other jurisdiction.

30. NOTICE.

(a) All notices, demands and other communications ("notice") under or concerning this Instrument shall be in writing and addressed as set forth below. Each notice shall be deemed given on the earliest to occur of (i) the date when the notice is received by the addressee; (ii) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (iii) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested.

If to Borrower:
SP Trail LLC
c/o Southport Development, Inc.
5403 West Gray Street
Tampa, Florida 33609
Attention: Scott Seckinger
Facsimile: (813) 288-1511

With a copy to:
Pepple Cantu Schmidt PLLC
2430 Estancia Boulevard,
Suite 114
Clearwater, Florida 33761-2607
Attention: David O. Cantu, Esq.
Facsimile: (727) 726-9272
If to Lender: Housing Finance Authority of Pinellas County (Florida)
26750 U.S. Hwy 19 N., Suite 110
Clearwater, Florida 33761
Attention: Executive Director
Fax: (727) 255-5562

With a copy to: U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309
Attention: Corporate Trust Department
Facsimile: (954) 202-2082

With copies to: Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Transaction Management Group
Deal ID# 24770
Facsimile: (212) 723-8209

And to:

Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Deal ID# 24770
Facsimile: (805) 557-0924

Prior to the Conversion Date, with a copy to:

Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Account Specialist
Deal ID # 24770
Facsimile: (212) 723-8209

Following the Conversion Date, with a copy to:

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Citi Deal ID#: 24770
Facsimile: (215) 328-0305
(b) Any party to this Instrument may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 30. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 30, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 30 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

(c) Any notice under the Note and any other Loan Document that does not specify how notices are to be given shall be given in accordance with this Section 31.

31. CHANGE IN SERVICER. If there is a change of the Servicer, Borrower will be given notice of the change.

32. SINGLE ASSET BORROWER. Until the Indebtedness is paid in full, Borrower (a) shall not acquire any real or personal property other than the Mortgaged Property and personal property related to the operation and maintenance of the Mortgaged Property; (b) shall not operate any business other than the management and operation of the Mortgaged Property; and (c) shall not maintain its assets in a way difficult to segregate and identify.

33. SUCCESSORS AND ASSIGNS BOUND. This Instrument shall bind, and the rights granted by this Instrument shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower.

34. JOINT AND SEVERAL LIABILITY. If more than one person or entity signs this Instrument as Borrower, the obligations of such persons and entities shall be joint and several.

35. RELATIONSHIP OF PARTIES; NO THIRD PARTY BENEFICIARY.

(a) The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Instrument shall create any other relationship between Lender and Borrower.

(b) No creditor of any party to this Instrument and no other person (other than a holder of the Note and Servicer) shall be a third party beneficiary of this Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement (a “Servicing Arrangement”) between Lender and any Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower
shall not be a third party beneficiary of any Servicing Arrangement, and (iii) no payment by Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

36. **SEVERABILITY; AMENDMENTS.** The invalidity or unenforceability of any provision of this Instrument shall not affect the validity or enforceability of any other provision, and all other provisions shall remain in full force and effect. This Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Instrument. This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought; provided, however, that in the event of a Transfer, any or some or all of the Modifications to Instrument set forth in Exhibit B (if any) may be modified or rendered void by Lender at Lender’s option by notice to Borrower or such transferee.

37. **CONSTRUCTION.** The captions and headings of the sections of this Instrument are for convenience only and shall be disregarded in construing this Instrument. Any reference in this Instrument to an “Exhibit” or a “Section” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Instrument or to a Section of this Instrument. All Exhibits attached to or referred to in this Instrument are incorporated by reference into this Instrument. Any reference in this Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Instrument includes the plural and use of the plural includes the singular. As used in this Instrument, the term “including” means “including, but not limited to.”

38. **SERVICER.**

(a) Borrower further acknowledges that Lender may from time to time and in accordance with the terms of the Borrower Loan Agreement, appoint a Servicer or a replacement servicer to collect payments, escrows and deposits, to give and receive notices under the Note, this Instrument, or the other Loan Documents, and to otherwise service the Loan. Borrower hereby acknowledges and agrees that, unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by Servicer with the same force and effect, including, without limitation, the collection of payments, the giving of notice, the holding of escrows, inspection of the Mortgaged Property, inspections of books and records, the request for documents or information, and the granting of consents and approvals. Borrower further agrees that, unless Lender instructs Borrower to the contrary in writing, (i) any notices, books or records, or other documents or information to be delivered under this Instrument, the Note, or any other Loan Document shall also be simultaneously delivered to the Servicer at the address provided for notices to Servicer pursuant to Section 30 hereof, (ii) any payments to be made under the Note or for escrows under Section 7 of this Instrument or under any of the other Loan Documents shall be made to Servicer. In the event Borrower receives conflicting notices regarding the identity of the Servicer or any other subject, any such notice from Lender shall govern.

(b) Borrower further acknowledges and agrees that, for the purpose of determining whether a security interest is created or perfected under the Uniform Commercial Code of the Property Jurisdiction, any escrows or other funds held by Servicer pursuant to the Loan Documents shall be deemed to be held by Lender.
39. **DISCLOSURE OF INFORMATION.** Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including but not limited to trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Without limiting the generality of the foregoing, without notice to or the consent of Borrower, Lender may disclose to any title insurance company which insures any interest of Lender under this Instrument (whether as primary insurer, coinsurer or reinsurer) any information, data or material in its possession relating to Borrower, the Loan, the Improvements or the Mortgaged Property. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including but not limited to any right of privacy.

40. **NO CHANGE IN FACTS OR CIRCUMSTANCES.** Borrower warrants that all information in Borrower’s application for the Loan and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with Borrower’s application for the Loan are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

41. **SUBROGATION.** If, and to the extent that, the proceeds of the Loan are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a “Prior Lien”), such loan proceeds shall be deemed to have been advanced by Lender at Borrower’s request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

42. **FINANCING STATEMENT.** As provided in Section 2, this Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture and for the purposes of such financing statement: (a) the Debtor shall be Borrower and the Secured Party shall be Lender; (b) the addresses of Borrower as Debtor and of Lender as Secured Party are as specified above in the first paragraph of this Instrument; (c) the name of the record owner is Borrower; (d) the types or items of collateral consist of any part of the Mortgaged Property which is or may become a Fixture; and (e) the organizational identification number of Borrower (if any) as Debtor is set forth on Exhibit C.

43. **ACCELERATION; REMEDIES; WAIVER OF PERMISSIVE COUNTERCLAIMS.** At any time during the existence of an Event of Default, Lender, at Lender’s option, may declare the Indebtedness to be immediately due and payable without further demand, and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by Florida law or provided in this Instrument or in any other Loan Document. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys’ fees, costs of documentary evidence, abstracts and title reports. Borrower waives any and all rights to file or pursue permissive counterclaims in connection with any legal action brought by Lender under this Instrument, the Note or any other Loan Document.
44. **RELEASE.** Upon payment of the Indebtedness, Lender shall release this Instrument. Borrower shall pay Lender’s reasonable costs incurred in releasing this Instrument.

45. **FUTURE ADVANCES.** Lender may from time to time, in Lender’s discretion, make optional future or additional advances (collectively, “**Future Advances**”) to Borrower, except that at no time shall the unpaid principal balance of all indebtedness secured by the lien of this Instrument, including Future Advances, be greater than an amount equal to two hundred percent (200%) of the original principal amount of this Note as set forth on the first page of this Instrument plus accrued interest and amounts disbursed by Lender under Section 12 or any other provision of this Instrument that treats a disbursement by Lender as being made under Section 12. All Future Advances shall be made, if at all, within twenty (20) years after the date of this Instrument, or within such lesser period that may in the future be provided by law as a prerequisite for the sufficiency of actual or record notice of Future Advances as against the rights of creditors or subsequent purchasers for value. Borrower shall, immediately upon request by Lender, execute and deliver to Lender a promissory note evidencing each Future Advance together with a notice of such Future Advance in recordable form. All promissory notes evidencing Future Advances shall be secured, pari passu, by the lien of this Instrument, and each reference in this Instrument to the Note shall be deemed to be a reference to all promissory notes evidencing Future Advances.

46. **WAIVER OF TRIAL BY JURY.** BORROWER AND LENDER (BY ACCEPTANCE HEREOF) EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

47. **ATTACHED EXHIBITS.** The following Exhibits are attached to this Instrument and are incorporated by reference herein as if more fully set forth in the text hereof:

- **Exhibit A** Description of the Land.
- **Exhibit B** Modifications to Instrument.
- **Exhibit C** Financing Statement Information.
- **Exhibit D** Modifications to Instrument (Ground Lease).
- **Exhibit E** Description of Ground Lease.

The terms of this Instrument are modified and supplemented as set forth in said Exhibits. To the extent of any conflict or inconsistency between the terms of said Exhibits and the text of this Instrument, the terms of said Exhibits shall be controlling in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Instrument or caused this Instrument to be duly executed and delivered by its authorized representative as of the date first set forth above.

WITNESSED BY:  

Name: ____________________________  
By: ________________________________  
Name: ____________________________  
By: ________________________________  

BORROWER:  

SP TRAIL LLC,  
a Florida limited liability company  
By: SP Trail Manager LLC,  
a Florida limited liability company  
Its: Manager  
Name: J. David Page  
Title: Manager  

STATE OF WASHINGTON )  
COUNTY OF __________ ) ss.  

I certify that I know or have satisfactory evidence that J. David Page is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of SP Trail Manager LLC, a Florida limited liability company, the Manager of SP Trail LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: April __, 2018

[Notary Public]
[Print Name]
[My commission expires ____________________________]

(Use this space for notarial stamp/seal)
EXHIBIT A

DESCRIPTION OF THE LAND
EXHIBIT B
MODIFICATIONS TO INSTRUMENT
Tax Credits

The following modifications are made to the text of the Instrument that precedes this Exhibit:

1. Section 21(b) of the Instrument is amended by adding the following at the end of such Section:

“(viii) Provided that (i) SP Trail LLC, a Florida limited liability company, owns the Mortgaged Property and remains the borrower under the Note, (ii) SP Trail Manager LLC, a Florida limited liability company (“Manager”), is the manager-member of Borrower and (iii) Raymond James Housing Opportunities Fund [__]L.L.C., a Florida limited liability company or its permitted transferee (the “Equity Investor”), has not less than a 99.9% limited liability company interest in Borrower:

(A) the removal by Equity Investor of the Manager, as a manager-member of Borrower and its replacement as a manager-member by Raymond James Tax Credit Funds, Inc. (“Equity Investor Sponsor”), or by an affiliate of Equity Investor Sponsor, which removal shall be in accordance with the terms of the limited partnership agreement of Borrower, provided that (i) the entity replacing the removed Manager must be a single purpose entity, (ii) after such replacement, Equity Investor Sponsor or the Initial Owners of Equity Investor Sponsor must own not less than 51% of the general partnership or managing membership interests, as applicable, in the entity which replaced the removed Manager and (iii) each Guarantor shall be replaced as Guarantor by an individual or entity that is approved by Lender and satisfies Lender’s mortgage credit standards for guarantors; or

(B) For the sole purpose of effecting the sale of non-managing membership interests to a syndicator of low income housing tax credits allocated to the Mortgaged Property in either a one or two-step transaction: (i) a Transfer of membership interests of Equity Investor in Borrower to (A) a wholly-owned affiliate of Equity Investor or a wholly-owned affiliate of Equity Investor Sponsor, or (B) an entity in which Equity Investor or Equity Investor Sponsor directly or indirectly owns a Controlling Interest, or (ii) so long as Equity Investor Sponsor directly or indirectly owns a Controlling Interest in the sole managing member, sole manager or sole general partner, as applicable, of Equity Investor, the transfer of non-managing membership interests or limited partnership interests, as applicable, in Equity Investor.

Borrower must provide Lender with: (i) advance written notice of the identity of any entity replacing the Manager pursuant to this Section 21(b), and (ii) upon
request by Lender from time to time, the names of all owners of interests in Borrower, whether such interests are owned directly or indirectly.”

2. Section 30(a) of the Instrument is amended to add the following at the end of such Paragraph:

“Lender agrees that, so long as Equity Investor has a continuing ownership interest in Borrower, effective notice to Borrower under the Loan Documents shall require delivery of a copy of such notice to Equity Investor. Such notice shall be given in the manner provided in this Section 30(a), at Equity Investor’s address set forth below:

Raymond James Housing Opportunities Fund [__] L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Attention: Steven J. Kropf, President
Facsimile: (727) 567-8455

With copy to:

Nuyen, Tomtishen, and Aoun, P.C.
2001 Commonwealth Boulevard
Suite 300
Ann Arbor, Michigan 48105
Attention: Mike Tulchinsky, Esq.
Facsimile: (734) 372-4101

Lender agrees that, notwithstanding its rights to invoke the remedies permitted by Section 43 of the Instrument, upon the breach of any covenant or agreement by Borrower in the Instrument (including, but not limited to, the covenants to pay when due sums secured by the Instrument) or any other Loan Document, Lender shall not, so long as Equity Investor has a continuing ownership interest in Borrower, conduct a foreclosure sale of the Mortgaged Property or receive a deed-in-lieu of foreclosure, until such time as Equity Investor has first been given 30 days written notice of such default and has failed, within such 30-day period to cure such default; provided, however, that Lender shall be entitled, during such 30-day period, to continue to accelerate the Note and to pursue its remedies. Any other cure tendered by Equity Investor will be accepted or rejected on the same basis as cures tendered by Borrower.”

3. The following new Sections are added to the Instrument after the last numbered Section:

48. **RECOUERSE LIABILITY.** After the Conversion Date, so long as Equity Investor has a continuing ownership interest in Borrower (except for transfers of Equity Investor interests as otherwise provided hereinabove), the provisions of Section 9 of the Note, as they relate to Events of Default described in Section 9(e) of the Note, shall be
operative only after Equity Investor has been given thirty (30) days’ notice of the applicable Event(s) of Default described in Section 9(e) of the Note, together with an opportunity within such thirty (30) day period to remedy the applicable Event(s) of Default. In all events, Lender shall be entitled during such thirty (30) day period to exercise all of its rights and remedies under this Instrument upon the occurrence of such Event of Default other than foreclosure of the Mortgaged Property.

49. EXTENDED LOW-INCOME HOUSING COMMITMENT. Lender agrees that the lien of this Instrument shall be subordinate to any extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) (the “Extended Use Agreement”) recorded against the Mortgaged Property; provided that such Extended Use Agreement, by its terms, must terminate upon foreclosure under this Instrument or upon a transfer of the Mortgaged Property by instrument in lieu of foreclosure, in accordance with Section 42(h)(6)(E) of the Internal Revenue Code.

50. ANNUAL LIHTC REPORTING REQUIREMENTS. Borrower must submit to Lender each year at the time of annual submission of Borrower’s financial analysis of operations, a copy of the following sections of Borrower’s federal tax return: Internal Revenue Forms 1065, 8586, 8609 and Form 8609, Schedule A, which must reflect the total low-income housing tax credits (“LIHTCs”) allocated to the Mortgaged Property and the LIHTCs claimed for the Mortgaged Property in the preceding year.

51. CROSS-DEFAULT. Borrower acknowledges and agrees that (a) any failure by Borrower or the Project to qualify for low income housing tax credits pursuant to the provisions of Section 42 of the Internal Revenue Code and (b) any default, event of default, or breach (however such terms may be defined) after the expiration of any applicable notice and/or cure periods under the Extended Use Agreement shall be an Event of Default under this Instrument and that any costs, damages or other amounts, including reasonable attorney’s fees incurred by Lender as a result of such an Event of Default by Borrower, including amounts paid to cure any default or event of default, under the Extended Use Agreement shall be an obligation of Borrower and become a part of the Indebtedness secured by this Instrument.

52. ANNUAL COMPLIANCE. Borrower shall submit to Lender on an annual basis, evidence that the Mortgaged Property is in ongoing compliance with all income, occupancy and rent restrictions under the Extended Use Agreement relating to the Mortgaged Property. Such submissions shall be made contemporaneously with Borrower’s reports required to be made to the regulator under the Extended Use Agreement.

53. VARIABLE RATE NOTE. The Note is subject to interest rate adjustment from time to time in accordance with its terms, which terms are incorporated herein by this reference.

54. REGULATORY AGREEMENT. Notwithstanding anything in this Instrument to the contrary, the Lender hereby acknowledges and consents to the lien of the Regulatory Agreement and agrees that, irrespective of the order of recordation or date
of effectiveness, the lien of this Instrument shall be subordinate to the Regulatory Agreement. Borrower acknowledges and agrees that any default, event of default, or breach (however such terms may be defined) after the expiration of any applicable notice and/or cure periods under the Regulatory Agreement shall be an Event of Default under this Instrument and that any costs, damages or other amounts, including reasonable attorney’s fees incurred by the Lender as a result of such an Event of Default by Borrower, including amounts paid to cure any default or event of default, under the Regulatory Agreement shall be an obligation of Borrower and become a part of the Indebtedness secured by this Instrument.”

All capitalized terms used in this Exhibit not specifically defined herein shall have the meanings set forth in the text of the Instrument that precedes this Exhibit.
EXHIBIT C
FINANCING STATEMENT INFORMATION

1. Name and Address of Debtor: SP Trail LLC
   5403 West Gray Street
   Tampa, Florida 33609

2. Debtor’s State of Organization and Organizational I.D.#:

3. State of Formation: Florida
   Type of Entity: limited liability company
   Organizational I.D.#: [______________]

4. Name and Address of Secured Party:
   Housing Finance Authority of Pinellas County (Florida)
   26750 U.S. Hwy 19 N., Suite 110
   Clearwater, Florida 33761

   Name and Address of Total Assignee of Secured Party:
   Citibank, N.A.
   Transaction Management Group
   388 Greenwich Street, 8th Floor
   New York, New York 10013

5. The Collateral is:
   Fixtures (as that term is described in the Uniform Commercial Code of Florida attached to the Land described in Exhibit A attached to this Instrument.)
EXHIBIT D
MODIFICATIONS TO INSTRUMENT
(Ground Lease)

The following modifications are made to the text of the Instrument that precedes this Exhibit:

1. The granting clause on page 1 is deleted in its entirety and the following new granting clause is inserted in its place:

   “TO SECURE TO LENDER and its successors and assigns the repayment of the Indebtedness evidenced by the Note executed by Borrower and maturing on the Maturity Date, and all renewals, extensions and modifications of the Indebtedness, including, without limitation, the payment of all sums advanced by or on behalf of Lender to protect the security of this Instrument under Section 12 and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower mortgages, warrants, conveys and assigns to Lender, the Mortgaged Property, including the Land and including the Leasehold Estate in the Land located in Clearwater, Pinellas County, Florida and described in Exhibit A attached to this Instrument, to have and to hold the Mortgaged Property unto Lender, Lender’s successor in trust and Lender’s assigns forever.”

2. The definition of Mortgaged Property in Section 1 is amended by deleting paragraph (i) and inserting the following new paragraph in its place: “(i) the Ground Lease and the Leasehold Estate;”

3. The definition of Mortgaged Property in Section 1 is amended by deleting the word “Land” from paragraph (viii) and inserting the words “Leasehold Estate” in its place.

4. Section 22(d) is amended in its entirety to read as follows:

   “(d) fraud or material misrepresentation or material omission by Borrower or Guarantor, any of their respective officers, directors, trustees, general partners, managing members, managers, agents or representatives in connection with (i) the application for the Loan, (ii) any financial statement, rent roll, or other report or information provided to Lender during the term of the Indebtedness, (iii) any request for Lender’s consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement or (iv) any of the representations and warranties contained in Section 56;”

5. Section 22 is amended by inserting the following new provision as additional subsection (t):

   “any failure by Borrower to comply with the provisions of Sections 55, 56, 57, 59, 60(b), 61(a) or 62;”

6. Section 1 is amended by adding the following new definitions:

   “Event of Ground Lessor Bankruptcy” means either of the following actions taken by or with respect to Ground Lessor: (i) Ground Lessor pursuant to or within the
meaning of the United States Bankruptcy Code (x) commences a voluntary case, or (y) consents to the entry of an order for relief against it in an involuntary case; or (ii) a court of competent jurisdiction enters an order or decree under the United States Bankruptcy Code that is for relief against Ground Lessor in an involuntary case.

“Ground Lease” means the lease described in Exhibit E pursuant to which Borrower leases the Land, as such lease may from time to time be amended, modified, supplemented, renewed and extended.

“Ground Lessee Default” means (i) a default by Borrower in making any payment of rent, additional rent or other sum of money payable by Borrower to Ground Lessor under the Ground Lease on the date such payment is due and payable, or (ii) a default by Borrower in performing or observing any of the terms, covenants or conditions of the Ground Lease (other than the payments referred to in clause (i)) required to be performed or observed by Ground Lessee.

“Ground Lessor” means the lessor from time to time under the Ground Lease.

“Ground Lessor Default” means a default by Ground Lessor in performing or observing any of the terms, covenants or conditions of the Ground Lease required to be performed or observed by Ground Lessor.

“Ground Rent” means the base or minimum rent payable in fixed monthly or other periodic installments under the Ground Lease.

“Leased Premises” means the Land and any other real property leased by Borrower pursuant to the Ground Lease.

“Leasehold Estate” means Borrower’s interest in the Land and any other real property leased by Borrower pursuant to the Ground Lease, including (i) all rights of Borrower to renew or extend the term of the Ground Lease, (ii) all amounts deposited by Borrower with Ground Lessor under the Ground Lease, (iii) Borrower’s right or privilege to terminate, cancel, surrender, modify or amend the Ground Lease, and (iv) all other options, privileges and rights granted and demised to Borrower under the Ground Lease and all appurtenances with respect to the Ground Lease.

7. The following new Sections are added at the end of the Instrument after the last numbered Section:

“55. REPRESENTATIONS AND WARRANTIES REGARDING GROUND LEASE. Borrower warrants and represents to Lender that, as of the date of this Instrument: (i) the Ground Lease is in full force and effect in accordance with its terms; (ii) Borrower has not waived, canceled or surrendered any of its rights under the Ground Lease; (iii) Borrower is the sole owner of, and has good and marketable title to, the Leasehold Estate; (iv) the Leasehold Estate, the Leased Premises and the Mortgaged Property are free and clear of all liens, encumbrances and other matters affecting title, other than the lien of this Instrument and the Permitted Encumbrances; (v) there is no existing Ground Lessee Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a
Ground Lessee Default; and (vi) to the best of Borrower’s knowledge, there is no existing Ground Lessor Default and no event has occurred which, with the passage of time or the giving of notice, or both, would constitute a Ground Lessor Default.

56. NOTICES UNDER GROUND LEASE. Borrower shall deliver to Lender, within ten (10) days after Borrower’s receipt, a true and correct copy of each notice, demand, complaint or request from Ground Lessor under, or with respect to, the Ground Lease.

57. BORROWER’S OBLIGATIONS TO COMPLY WITH GROUND LEASE. Borrower shall (i) pay the Ground Rent and all other sums of money due and payable at any time and from time to time under the Ground Lease as and when such sums become due and payable, but in any event before the expiration of any grace period provided in the Ground Lease for the payment of any such sum, and (ii) at all times fully perform, observe and comply with all other terms, covenants and conditions of the Ground Lease to be performed, observed or complied with by Borrower as lessee under the Ground Lease. If the Ground Lease does not provide for a grace period for the payment of a sum of money, Borrower shall make the payment on or before the date on which the payment becomes due and payable. Borrower shall deliver evidence of the payment to Lender within ten (10) days after receipt of a written request from Lender for evidence of the payment.

58. LENDER’S RIGHT TO CURE GROUND LESSEE DEFAULTS. At any time after Lender receives notice of a Ground Lessee Default, (i) Lender may (but shall not be obligated to do so), make any payment, perform any obligation and take any other action Borrower would have the right to pay, perform or take under the Ground Lease which Lender deems necessary or desirable to cure the Ground Lessee Default, and (ii) Lender and its authorized agents shall have the right at any time or from time to time to enter the Land and Improvements, or any part thereof, to such extent and as often as Lender, in its discretion, deems necessary or desirable in order to cure the Ground Lessee Default, subject to the rights of the tenants and occupants of the Mortgaged Property. Lender may exercise its rights under this Section immediately after receipt of notice of a Ground Lessee Default and without regard to any grace period provided to Borrower in the Ground Lease to cure the Ground Lessee Default. For purposes of exercising its rights under this Section, Lender shall be fully protected for any action taken or omitted to be taken by Lender, in good faith, in reliance on any written notice from Ground Lessor stating that a Ground Lessee Default has occurred and is continuing even though Borrower may question or deny the existence or nature of the Ground Lessee Default. All expenditures made by Lender pursuant to this Section to cure a Ground Lessee Default shall become an additional part of the Indebtedness as provided in Section 12.

59. COVENANTS TO PROTECT LEASEHOLD ESTATE. Borrower shall not, without the written consent of Lender (which may be given or withheld by Lender in its discretion), (i) surrender the Leasehold Estate to Ground Lessor or terminate or cancel the Ground Lease, (ii) amend, modify or change the Ground Lease, either orally or in writing, or waive any of Borrower’s rights under the Ground Lease, (iii) subordinate the Ground Lease or the Leasehold Estate to any mortgage, deed of trust or other lien on Ground Lessor’s fee title to the Leased Premises, or (iv) except as otherwise provided in Section 60(b), reject or assume the Ground Lease or assign the Leasehold Estate pursuant to Section 365(h) of the United States Bankruptcy Code. Borrower absolutely and unconditionally transfers and assigns to Lender all
of Borrower’s rights to surrender, terminate, cancel, modify and change the Ground Lease, and any such surrender, termination, cancellation, modification or change made without the prior written consent of Lender shall be void and have no legal effect.

60. GROUND LESSEE’S BANKRUPTCY.

(a) Borrower assigns to Lender, as additional security for the Indebtedness, Borrower’s right to reject the Ground Lease under Section 365 of the United States Bankruptcy Code after the occurrence of a Bankruptcy Event, subject to Section 60(b).

(b) If, after the occurrence of a Bankruptcy Event, Borrower decides to reject the Ground Lease, Borrower shall give Lender written notice, at least ten (10) days in advance, of the date on which Borrower intends to apply to the Bankruptcy Court for authority and permission to reject the Ground Lease. Lender shall have the right, but not the obligation, within ten (10) days after receipt of Borrower’s notice, to deliver to Borrower a notice (“Lender’s Assumption Notice”) in which (i) Lender demands that Borrower assume the Ground Lease and assign the Ground Lease to Lender, or its designee, in accordance with the United States Bankruptcy Code, and (ii) Lender agrees to cure or provide adequate assurance of prompt cure of all Ground Lessee Defaults reasonably susceptible of being cured by Lender and of future performance under the Ground Lease. If Lender timely delivers Lender’s Assumption Notice to Borrower, Borrower shall not reject the Ground Lease and shall, within fifteen (15) days after receipt of Lender’s notice, comply with the demand contained in clause (i) of Lender’s notice. If Lender does not timely deliver Lender’s Assumption Notice to Borrower, Borrower shall have the right to reject the Ground Lease.

61. GROUND LESSOR’S BANKRUPTCY.

(a) If, after the occurrence of an Event of Ground Lessor Bankruptcy, Ground Lessor rejects the Ground Lease pursuant to Section 365(h) of the United States Bankruptcy Code (i) Borrower, immediately after obtaining notice of the rejection, shall deliver a copy of the notice to Lender, (ii) Borrower shall not, without Lender’s prior written consent (which may be given or withheld in Lender’s discretion), elect to treat the Ground Lease as terminated pursuant to Section 365(h) or any other applicable provision of the United States Bankruptcy Code, and (iii) this Instrument and the lien created by this Instrument shall extend to and encumber Borrower’s retained rights under the Ground Lease that are appurtenant to the Leased Premises for the balance of the term of the Ground Lease and for any renewal or extension of those rights under the Ground Lease. Borrower transfers and assigns to Lender, as additional security for the Indebtedness, Borrower’s rights, after Ground Lessor’s rejection of the Ground Lease, to treat the Ground Lease as terminated, and any termination of the Ground Lease made by Borrower without Lender’s prior written consent shall be void and have no legal effect.

(b) Borrower transfers and assigns to Lender, as additional security for the Indebtedness, all of Borrower’s rights to damages caused by Ground Lessor’s rejection of the Ground Lease after the occurrence of an Event of Ground Lessor Bankruptcy and all of Borrower’s rights to offset such damages against rent payable under the Ground Lease. As long as no Event of Default has occurred and is continuing, Lender agrees that it will not enforce its rights under the preceding sentence, but will permit Borrower to exercise such rights with
Lender’s prior written consent. Any amounts received by Lender as damages arising out of Ground Lessor’s rejection of the Ground Lease shall be applied in the manner set forth in Section 9.

62. OPTION TO RENEW OR EXTEND GROUND LEASE. Borrower shall give Lender written notice of Borrower’s intention to exercise each option to renew or extend the term of the Ground Lease at least ninety (90) days, but not more than one hundred fifty (150) days, before the last day on which the option may be timely exercised. If Borrower intends to renew or extend the term of the Ground Lease, it shall deliver to Lender, together with the notice of such decision, a copy of the notice of renewal or extension it delivers to Ground Lessor. If Borrower does not intend to renew or extend the term of the Ground Lease or, if Borrower fails to deliver its written notice of exercise of its option to renew or extend the term of the Ground Lease at least ninety (90) days before the last day on which the option may be timely exercised, Lender shall have the right, but shall not be obligated, to renew or extend the term of the Ground Lease for and on behalf of Borrower.

63. NO MERGER OF ESTATES. If Borrower acquires the fee estate of Ground Lessor under the Ground Lease (the “Fee Estate”) (i) there shall be no merger between the Fee Estate and the Leasehold Estate unless all persons, including Lender, having an interest in the Ground Lease consent in writing to the merger, and (ii) simultaneously with Borrower’s acquisition of the Fee Estate, the lien of this Instrument shall automatically, without the necessity of any further conveyance, be spread to cover the Fee Estate and as so spread shall be prior to the lien of any mortgage, deed of trust or other lien placed on the Fee Estate after the date of this Instrument. Promptly after Borrower’s acquisition of the Fee Estate, Borrower, at its sole cost and expense, including payment of Lender’s attorneys’ fees and out-of-pocket disbursements, shall execute and deliver all documents and instruments necessary to subject the Fee Estate to the lien of this Instrument, and shall provide to Lender a title insurance policy insuring the lien of this Instrument as a first lien on the Fee Estate and the Leasehold Estate. If Lender acquires the Fee Estate and the Leasehold Estate (whether pursuant to the provisions of the Ground Lease, by foreclosure of this Instrument, or otherwise), the Fee Estate and the Leasehold Estate shall not merge as a result of such acquisition and shall remain separate and distinct for all purposes after such acquisition unless and until Lender shall elect to merge the Fee Estate and the Leasehold Estate.

64. NEW LEASE. If (i) the Ground Lease is canceled or terminated for any reason before the natural expiration of its term, and (ii) Lender (or its designee) obtains from Ground Lessor a new lease in accordance with the term of the Ground Lease, Borrower shall have no right, title or interest in and to the new lease or the leasehold estate created by the new lease.

65. APPOINTMENT OF LENDER AS BORROWER’S ATTORNEY-IN-FACT. Borrower makes, constitutes and appoints Lender as Borrower’s attorney-in-fact, in Borrower’s name, place and stead, with full power of substitution, to take all actions and to sign all documents and instruments which Lender, in its discretion, considers to be necessary or desirable to (i) prevent or cure a Ground Lessee Default pursuant to Section 58, (ii) perform or carry out any of Borrower’s covenants under Section 59, (iii) renew or extend the term of the Ground Lease pursuant to Section 62, (iv) appoint arbitrators and conduct arbitration proceedings pursuant to the Ground Lease, and (v) request and obtain estoppel certificates from Ground
Lessor pursuant to the Ground Lease. Borrower gives and grants to Lender, as Borrower’s attorney-in-fact, full power and authority to do and perform every act and sign every document and instrument necessary and proper to be done in the exercise of the foregoing power as fully as Borrower might or could do, and Borrower hereby ratifies and confirms all acts that Lender, as Borrower’s attorney-in-fact, shall lawfully do or cause to be done by virtue of this power of attorney. This power of attorney, being coupled with an interest, shall be irrevocable as long as any of the Indebtedness remains unpaid.”
8. All capitalized terms used in this Exhibit not specifically defined herein shall have the meanings set forth in the text of the Instrument that precedes this Exhibit.
EXHIBIT E

DESCRIPTION OF GROUND LEASE

Ground Lease dated as of April __, 2018, by and between the Housing Finance Authority of Pinellas County, Florida, as trustee of the Pinellas County Land Assembly Trust- Woodlawn Trail, as landlord, and SP Trail LLC, as tenant; as evidenced by Memorandum of Lease dated as of April __, 2018, between Housing Finance Authority of Pinellas County, Florida, as trustee of the Pinellas County Land Assembly Trust- Woodlawn Trail and SP Trail LLC, recorded in the Public Records of Clearwater, Pinellas County, Florida.
KNOW ALL PERSONS BY THESE PRESENTS:

The HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body, corporate and politic duly organized and existing under the laws of the State of Florida ("Assignor"), pursuant to that certain Funding Loan Agreement dated as of [April] 1, 2018 (the “Funding Loan Agreement”) between Assignor, U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent ("Fiscal Agent") and CITIBANK, N.A., a national banking association ("Funding Lender", and together with the Fiscal Agent, collectively "Assignee"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does by these presents assign, without recourse, to Assignee as their respective interests may lie, all of Assignor's right, title and interest in and to, subject to the Unassigned Rights of the Authority (as defined in the Funding Loan Agreement), the instruments ("Assigned Instruments") described on Schedule 1 attached hereto.

TOGETHER with the Note described in the Assigned Instruments, and the money due and to become due thereon, with the interest thereon, TO HAVE AND TO HOLD the same unto the said Assignee forever, subject only to all the provisions contained therein, AND the said Assignor hereby constitutes and appoints the Assignee as the Assignor's true and lawful attorney, irrevocable in law or in equity, in the Assignor's name, place and stead, but at Assignee’s cost and expense, to have, use and take all lawful ways and means for the recovery of all of the said money and interest; and in case of payment, to discharge the same as fully as the Assignor might or could if these presents were not made.

Overriding Limitations. In no event shall Assignor:
(i) prosecute its action to a lien on the Project, as defined in that certain Borrower Loan Agreement by and between SP Trail LLC, a Florida limited liability company ("Borrower") and Assignor (the "Borrower Loan Agreement"); or

(ii) take any action which may have the effect, directly or indirectly, of impairing the ability of Borrower to timely pay the principal of, interest on, or other amounts due under, the Borrower Loan or of causing Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or

(iii) interfere with the exercise by Assignee or Servicer of any of their rights under the Borrower Loan Documents upon the occurrence of an event of default by Borrower under the Borrower Loan Documents; or

(iv) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Borrower Loan.

**Definitions.** All capitalized terms that are used and are not defined herein shall have the respective meanings ascribed to them in the Funding Loan Agreement or the Borrower Loan Agreement. In all references herein to any parties, persons, entities or corporations the use of any particular gender on the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.

Dated as of the 1st day of [April], 2018 (the foregoing date is for reference purposes only and this Assignment shall not be effective until the date of issuance and delivery of the Note).
IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Assignment of Mortgage and Loan Documents or caused this Assignment of Mortgage and Loan Documents to be duly executed and delivered by its authorized representative as of the date first set forth above.

ASSIGNOR:

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA
a public body, corporate and politic, of the State of Florida

Name: ________________________________
By: ________________________________
Casey Cane
Chairman

WITNESSED BY:

_________________________________
a public body, corporate and politic, of the State of Florida

Name: ________________________________
Name: ________________________________

ACKNOWLEDGEMENT

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this ___ day of ________, 2018, by Casey Cane, Chairman of HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body, corporate and politic, of the State of Florida, who is personally known to me, or who has produced ____________________________ as identification and who did/did not take an oath.

{Notary Seal must be affixed}

Signature of Notary

Name of Notary (Typed, Printed or Stamped)
Commission Number (if not legible on seal):
My Commission Expires (if not legible on seal):
ASSIGNED INSTRUMENTS:

1. Series 2018 Mortgage Note by SP Trail LLC, a Florida limited liability company ("Borrower"), to Assignor, dated as of __________ __, 2018, in the original aggregate principal amount of up to $[8,200,000].

2. Multifamily Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing (Leasehold), dated as of __________ __, 2018, executed by Borrower for the benefit of Assignor securing the principal amount of up to $[8,200,000], which is being recorded immediately prior hereto in the Clerk's Office of Pinellas County, Florida, and encumbers the real property (and improvements thereon) that is more particularly described on Exhibit A.
EXHIBIT A

LEGAL DESCRIPTION

[TO BE PROVIDED]
LAND USE RESTRICTION AGREEMENT

Owner’s Name and Address: SP Trail LLC
5403 W. Gray Street
Tampa, Florida 33609
Attention: Brianne Heffner

Location of Property:
826 Woodlawn Street
Clearwater, Florida 33756

Name of Project: Woodlawn Trail Apartments

Fiscal Agent’s Name and Address: U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement") is made and entered into as of [April] 1, 2018 among the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA (the "Issuer"), SP Trail LLC, a Florida limited liability company (the "Owner"), and U.S. BANK NATIONAL ASSOCIATION, as fiscal agent under the hereinafter referenced Indenture (the "Fiscal Agent").

Preamble

WHEREAS, the Issuer has been created and organized pursuant to and in accordance with the provisions of the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended (the "Act"), for the purpose, among others, of financing the costs of residential projects that will provide decent, safe and sanitary housing for persons and families of low, moderate and middle income in Pinellas County, Florida (the "County"); and
WHEREAS, the Issuer has agreed under certain conditions to issue its revenue note under the Act and to loan the proceeds thereof to the Owner to finance a loan (the "Loan") for the purpose of the acquisition, construction and equipping of a multi-family residential project (the "Project") to be located within the County to be occupied partially (at least 60% of the units) by "Eligible Tenants," as determined by the Issuer in accordance with the Act, and to be occupied partially (at least 40% of the units) by "individuals of low or moderate income," within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder, all for the public purpose of assisting persons of low, moderate and middle income within the County to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Issuer has issued and delivered its $[8,200,000] Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) (the "Governmental Lender Note"), pursuant to a Funding Loan Agreement dated as of the date hereof, by and among the Issuer, Citibank, N.A., as the funding lender (the "Funding Lender") and the Fiscal Agent (the "Funding Loan Agreement") to obtain moneys to make a loan to the Owner which will be used to finance the Project pursuant to a Borrower Loan Agreement dated as of the date hereof, by and between the Issuer and the Owner (the "Borrower Loan Agreement"), all under and in accordance with the Constitution and laws of the State of Florida; and

WHEREAS, as a condition of the Issuer issuing the Governmental Lender Note, the Issuer requires the execution and delivery of this Agreement; and

WHEREAS, in order to satisfy such requirement, the Issuer, the Fiscal Agent and the Owner have determined to enter into this Agreement to set forth certain terms and conditions relating to the Project;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer, the Fiscal Agent and the Owner do hereby contract and agree as follows:

AGREEMENT

Section 1. Definitions and Interpretation. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for all purposes of this Agreement. In addition, the capitalized words and terms used herein which are not otherwise defined herein shall have the same meanings ascribed to them in the Funding Loan Agreement and the Borrower Loan Agreement.

"Affiliated Party" of a person shall mean a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code or (ii) such persons are members of the same controlled group of corporations (as defined in
Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein) or (iii) a related person within the meaning of Section 144(a) or 147(a) of the Code. The Fiscal Agent shall have no responsibility to determine if a person is an Affiliated Party.

"Available Units" means residential units in a residential rental project that are actually occupied and residential units in the project that are unoccupied and have been leased at least once after becoming available for occupancy, provided that (a) in the case of an acquisition of an existing residential rental project, a residential unit that is unoccupied on the later of (i) the date the Project is acquired or (ii) the issue date of the First Bonds, is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after the renovations are completed.

"Bond Counsel" means the firm of attorneys whose opinion is provided in connection with issuance of the Governmental Lender Note to the effect that interest thereon is exempt from gross income for purposes of federal income taxation, or their successor appointed by the Issuer.

"Borrower Loan Agreement" means that certain Loan Agreement by and between the Issuer and the Owner dated as of [April] 1, 2018.

"Borrower Note" shall mean the "Borrower Note" as defined in the recitals above.

"Certificate of Continuing Program Compliance" or "Compliance Certificate" means a Compliance Certificate in the form provided by the Compliance Agent, typically as an Excel spreadsheet, as such form may be revised by the Issuer from time to time upon advice of Bond Counsel.

"Code" shall mean the Internal Revenue Code of 1986, as amended. Reference herein to any specific provision of the Code shall be deemed to include any successor provision of such provision of the Code.

"Compliance Agent" shall mean initially, Seltzer Management Group, Inc., its successors and assigns, and thereafter such other organization subsequently designated by the Issuer to serve as Compliance Agent for the Project.

"County" means Pinellas County, Florida.

"Eligible Tenant" means a person(s) or family (i) who has reached the age of 65 or older, or (ii) whose total adjusted gross income, as set forth in Section 2 of the Income Certification, does not exceed 150% of the then current median family income for Pinellas County, Florida.
established by income statistics reported from time to time by the U. S. Department of Housing and Urban Development or such other entity which may succeed to perform the duties of the U.S. Department of Housing and Urban Development and who otherwise meets the requirements of this Agreement. On the date hereof, the current median family income is $59,000.

"First Bonds" means the first issue of bonds to which Section 142(d) of the Code applies issued to finance the acquisition of a residential rental project.

"Governmental Lender Note" shall mean the Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) of the Issuer in the principal amount of $[8,200,000], dated as of [April] 1, 2018, issued and delivered to the Funding Lender as consideration for the Funding Loan, and any amendment or supplement thereto or substitution therefore.

"Income Certification" means an Income Certification initially in the form of Exhibit B hereto, as such form may be revised by the Issuer from to time upon advice of Bond Counsel.

"Land Use Restriction Agreement" or "Agreement" shall mean this Land Use Restriction Agreement dated as of April 1, 2018, as amended or supplemented from time to time.

"Loan" means the loan to the Owner originated by the Issuer with respect to the Project, made in accordance with the Issuer's program guidelines, and the Borrower Loan Agreement, as evidenced by the Borrower Note, for the purpose of financing a portion of the cost of the acquisition and rehabilitation of the Project.

"Loan Documents" means the Funding Loan Agreement, the Borrower Loan Agreement, the Governmental Lender Note, the Borrower Note, this Land Use Restriction Agreement, and all other instruments, documents and certificates evidencing and securing the Loan.

"Lower-Income Tenants" shall mean and include individuals or families with income (adjusted for family size), calculated in the manner prescribed in Treasury Regulation Section 142(d)(2)(B) as in effect on the delivery date of the Governmental Lender Note, which does not exceed sixty percent (60%) of the annual median gross income for the area in which the Project is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended. In no event, however, will the occupants of a residential unit be considered to be Lower-Income Tenants if all the occupants are students, no one of which is entitled to file a joint federal income tax return. Notwithstanding the foregoing, a residential unit shall not fail to be treated as a residential unit that is occupied by Low-Income Tenants merely because such residential unit is occupied (a) by an individual who is (i) a student and receiving assistance under Title IV of the Social Security Act, (ii) a student who was previously under the case and placement responsibility of a foster care program (under Part B or Part E of the Title IV of the Social Security Act), or (iii) a student enrolled in a government supported job
training program, or (b) entirely by full-time students if such students are (i) single parents and their children and such parents are not dependents of any person other than the full-time student occupying the unit, or (ii) married and file a joint return.

"Mortgage" shall mean that certain Leasehold Mortgage, Assignment of Rents and Security Agreement dated as of [April] 1, 2018, from the Owner securing, granting a first priority security interest in the Project in favor of the Issuer and assigned to the Fiscal Agent and the Funding Lender, as their interest may lie, to secure the repayment of the Governmental Lender Note and the Owner’s obligation to pay the amounts due pursuant to the Borrower Loan Agreement and the Borrower Note.

"Project" shall mean Woodlawn Trail Apartments, an approximately 80 units located on an approximately 8.1 acre site at 826 Woodlawn Street in the City of Clearwater, Florida, as more particularly described in Exhibit A hereto, with respect to which the Issuer has made the Loan, which has been approved by resolution of the Issuer, and which will be acquired and constructed, and will be operated and maintained in compliance with the requirements of the Funding Loan Agreement, the Borrower Loan Agreement, the Mortgage and this Land Use Restriction Agreement.

"Qualified Project Period" shall mean a period beginning on the first day on which at least 10 percent of the residential units are occupied, and ending on the latest of the date (x) which is thirty (30) years after the date on which at least 50 percent of the residential units in the Project are first occupied; (y) the first day on which no tax-exempt private activity bonds issued with respect to the Project are outstanding; or (z) on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

"Rental Housing" shall mean a residential rental project within the meaning of Section 1.103-8(b)(4) of the Treasury Regulations under Section 142(d) of the Code. As such, Rental Housing shall consist of a building or structure or proximate buildings or structures, (a) containing one or more similarly constructed residential units which are to be used on other than a transient basis and any facilities which are functionally related and subordinate to such units, and (b) all of the residential units of which are rented or available for rental on a continuous basis to members of the general public in accordance with the requirements of Section 142(d) of the Code. The Rental Housing consists of similar residential units together with any functionally related and subordinate facilities within the meaning of Section 142(d) of the Code. A building or structure is a discrete edifice or other man-made construction consisting of an independent (i) foundation, (ii) outer walls, and (iii) roof, and containing one or more similarly constructed residential units. Buildings or structures are proximate if they are all located on a single parcel of land or several parcels of land which are contiguous except for the interposition of a road, street, stream or similar property. Proximate buildings or structures are part of the same project only if owned for federal tax purposes by the same person and if the buildings are financed pursuant to a common plan. In no event shall Rental Housing include a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home,
sanitarium, rest home, or trailer park or court. Furthermore, Rental Housing shall not include any building or structure which contains fewer than five residential units, one residential unit of which is occupied by an owner of the units or a party related to such owner.

"State" shall mean the State of Florida.

"Term of this Agreement" means the term determined pursuant to Section 9 hereof.

Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The terms and phrases used in the recitals of this Agreement have been included for convenience of reference only and the meaning, construction and interpretation of all such terms and phrases for purposes of this Agreement shall be determined by references to this Section 1. The titles and headings of the sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. Residential Rental Project. The Issuer and the Owner hereby declare their understanding and intent that, during the term of this Agreement, the Project is to be owned, managed and operated, as a "project for residential rental property" as such phrase is utilized in Section 142(d) of the Code. To that end, the Owner hereby represents, covenants and agrees as follows:

(a) that the Project will be acquired and constructed for the purpose of providing multifamily Rental Housing, and the Owner shall own, manage and operate the Project as multifamily Rental Housing, all in accordance with Section 142(d) of the Code and Treasury Regulations Section 1.103-8(b), as the same may be amended from time to time;

(b) the Project comprises one or more similarly constructed residential rental units, each of which will contain separate and each such dwelling unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family;

(c) that during the Term of this Agreement (i) none of the dwelling units in the Project shall at any time be utilized on a transient basis; (ii) none of the dwelling units in the Project shall ever be leased or rented for a period of less than six (6) months plus one (1) day; and (iii) neither the Project nor any portion thereof shall ever be used as a hotel,
motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer court or park;

(d) that during the Term of this Agreement (i) the dwelling units in the Project shall be leased and rented or made available for rental on a continuous basis to members of the general public, (ii) not less than sixty percent (60%) of all dwelling units in the Project shall be leased and rented or made available for rental on a continuous basis to Eligible Tenants, which test may be satisfied to the extent units have been rented to Low-Income Tenants, and (iii) the Owner shall not give preference in renting dwelling units in the Project to any particular class or group of persons, other than Eligible Tenants and Lower-Income Tenants as provided herein; provided, however, that an insubstantial number of dwelling units in the Project, not to exceed three (3) units, may be occupied by maintenance, security or managerial employees of the Owner or its property manager, which employees must be reasonably necessary for operation of the Project, unless such employee otherwise would qualify as a Lower-Income Tenant or an Eligible Tenant;

(e) that during the Term of this Agreement no part of the Project will at any time be owned or used by a cooperative housing corporation;

(f) that the Project will consist of one or more discrete edifices and other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which will be (i) owned by the same person for federal tax purposes, (ii) located on a common tract of land or two or more tracts of land which are contiguous except for being separated only by a road, street, stream or similar property, and (iii) financed by the Loan or otherwise pursuant to a common plan of financing, and which will consist entirely of:

(aa) Units which are similar in quality and type of construction and amenities; and

(bb) Facilities functionally related and subordinate in purpose and size to property described in (aa) above, e.g., parking areas, laundries, swimming pools, tennis courts and other recreational facilities (none of which may be unavailable to any person because such person is a Lower-Income Tenant) and other facilities which are reasonably required for the Project, e.g., heating and cooling equipment, trash disposal equipment or units for residential managers or maintenance personnel;

(g) that during the Term of this Agreement the Project will not include a unit in a building where all units in such building are not also included in the Project;
(h) that during the Term of this Agreement the Owner will not convert the Project to condominium ownership;

(i) that during the Term of this Agreement no dwelling unit in the Project shall be occupied by the Owner at any time unless the Owner resides in a dwelling unit in a building or structure which contains at least five (5) dwelling units and unless the resident of such dwelling unit is a resident manager or other necessary employee (e.g., maintenance and security personnel);

(j) that substantially all (at least 95%) of the proceeds of the Governmental Lender Note will be used for the cost of acquisition of land or other depreciable assets and construction of the buildings and property constituting the Project that qualify as residential Rental Housing or facilities related and/or subordinate thereto;

(k) that less than 25% of the proceeds of the Note will be used for the acquisition of land;

(l) that the Owner shall not discriminate on the basis of race, creed, religion, color, age, sex, marital status, family status, handicapped status or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project, nor shall the Owner discriminate against any tenant or potential tenant on the basis that such tenant offers a housing voucher as partial or full payment of any rent obligation and the Owner shall not refuse to rent any unit to such tenant solely on the basis that such tenant is the recipient of a housing voucher; and

(m) that the Owner will not refuse or deny rental occupancy in the Project to persons whose family includes minor dependents (those under eighteen years of age) who will occupy such unit, unless such refusal is based upon factors not related to the presence of such minors in the family.

Unless the provisions of this Section 2 are amended as permitted under Section 14(b) hereof, the provisions of this Section shall remain in effect during the Term of this Agreement; provided, however, the Owner may be discharged from its obligations under this Section 2 and Section 3 hereof to the extent that the same are assumed by any successor in interest to the Owner pursuant to Section 8 hereof.

Section 3. Lower-Income Tenants and Eligible Tenants. In order to satisfy the requirements of the Act and Section 142(d) of the Code, the Owner hereby represents, covenants and agrees that, during the Qualified Project Period:

(a) Commencing with the later of the date on which at least 10% of the units in the Project are occupied, or the date of issuance of the Governmental Lender Note (i) the Owner
shall rent all Available Units on at least a proportional basis so that at least forty (40%) of all Available Units in the Project shall be occupied by Lower-Income Tenants and sixty percent (60%) of the Available Units will be occupied by Eligible Tenants (for clarity a unit occupied by a Low-Income Tenant may also satisfy the Eligible Tenant set-aside requirement) and (ii) after initial rental occupancy of such dwelling units by Lower-Income Tenants, at least forty (40%) of the Available Units in the Project at all times shall be rented to and occupied (or held available for rental if previously rented to and occupied by a Lower-Income Tenant) by Lower-Income Tenants as required by Section 142(d) of the Code. The Available Units occupied or held for occupancy by Lower-Income Tenants shall be distributed throughout the Project.

The determination of income will be made both on the date the Lower-Income Tenant first occupies a residential unit in the Project and as often as required to comply with the provisions of Section 142(d) of the Code. Increases in a Lower-Income Tenant’s income of up to 140% of the applicable limit (adjusted for family size) will not result in disqualification. In the event that a Lower-Income Tenant’s income increases to a level more than 140% of the applicable limit (or if a Lower-Income family size decreases so that a lower maximum income applies to the Lower-Income Tenant), that Lower-Income Tenant may no longer be counted toward satisfaction of the lower-income requirement, unless thereafter, the next unit of comparable or smaller size in the Project which becomes vacant is rented to a Lower-Income Tenant until the Project again is in compliance. These income requirements include adjustments for family size. As of the date hereof, for a family of four, three, two and an individual the income requirements become 60% (and higher for larger families), 54%, 48% and 42% respectively. At least sixty percent (60%) of the units in the Project (for this purpose counting the units leased by Lower-Income Tenants) will be leased to Eligible Tenants. Assuming the Owner is in compliance with the rental requirements applicable to Lower-Income Tenants and Eligible Tenants, then not more than forty percent (40%) of the units may be rented without regard to the income of the tenant. Notwithstanding the foregoing, for any year the requirement to recertify a tenant’s income shall not apply if during such year no residential unit in the Project is occupied by a new resident whose income exceeds the applicable income limit.

(b) The Owner shall obtain and maintain on file an Income Certification from each Lower-Income Tenant and Eligible Tenant dated immediately prior to the initial occupancy of such tenant in the Project (with notification to the Owner of any material change of information in the Income Certification and initial occupancy of such tenant in the Project) in the form and containing such information as may be required by Section 142(d) of the Code (initially in the form attached hereto as Exhibit B), as the same may be from time to time amended by the Issuer, or in such other form and manner as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or hereafter promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. Copies (which may be electronic) of each such Income Certification and any verifications of such income to the extent requested by the Compliance Agent, shall be submitted to the Compliance Agent (i) within 10 days following the end of the calendar month during which the tenant first occupies a unit in the Project, (ii) within
10 days following the end of calendar month thereafter in which the lease is renewed or extended, and (iii) as reasonably requested by the Issuer, the Compliance Agent or the Fiscal Agent, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with the provisions of Section 142(d) of the Code. To the extent permitted by the Compliance Agent, such submissions may be made electronically.

(c) The Owner shall maintain complete and accurate records pertaining to the dwelling units occupied or to be occupied by Lower-Income Tenants and Eligible Tenants, and to permit any duly authorized representative of the Compliance Agent or the Issuer, and upon proper proceedings, the Department of the Treasury or the Internal Revenue Service, to inspect the books and records of the Owner pertaining to the income and Income Certifications of Lower-Income Tenants and Eligible Tenants residing in the Project.

(d) The Owner shall immediately notify the Issuer, the Compliance Agent and the Fiscal Agent if at any time the dwelling units in the Project are not occupied or available for occupancy as provided in subparagraph (a) above, and the Owner shall prepare and submit to the Compliance Agent, not later than the tenth (10th) day of each month following the initial occupancy of any of the units in the Project, a Compliance Certificate, executed by the Owner, stating among other matters, the number of dwelling units of the Project which, as of the first day of such month, in each case, were occupied by Lower-Income Tenants, were occupied by Eligible Tenants, were deemed to be occupied by Lower-Income Tenants or were deemed to be occupied by Eligible Tenants as provided in subparagraph (a) above, and stating that those units in the Project as provided in subparagraph (a) above are occupied by or held available for rental to only Eligible Tenants (including Lower-Income Tenants).

(e) Prior to execution of the Owner’s Statement portion of the Income Certification, the Owner shall verify the income of each Lower-Income Tenant and Eligible Tenant. To the extent requested by the Compliance Agent, as evidence of such verification, the Owner shall send to the Compliance Agent a copy of such tenant’s employer’s written income verification or federal income tax return for the preceding calendar year or other written evidence of verification satisfying the requirements for verifying income pursuant to Section 8 of the United States Housing Act of 1937, as amended.

(f) The Owner shall immediately notify the Fiscal Agent, the Compliance Agent and the Issuer of any change of project management although consent for such change is not required.

(g) The Owner shall render a yearly report to the Secretary of the Treasury if required by Section 142(d) of the Code.

(h) The Owner shall complete and deliver to the Issuer for execution and recording the Certificate of Commencement of Qualified Project Period substantially in the form attached hereto as Exhibit C as such form may be changed from time to time by the Issuer.
The provisions of this Section 3 relating to Lower-Income Tenants shall terminate upon the expiration of the Qualified Project Period, and the provisions relating to Eligible Tenants shall terminate upon the later to occur of the expiration of the Qualified Project Period or the first day when no Note remain Outstanding under the Governmental Lender Note or the Funding Loan Agreement.

Section 4. Indemnification. The Owner hereby covenants and agrees that the provisions of Section 5.15 of the Borrower Loan Agreement relating to the Owner's indemnity obligations apply to any violations by the Owner of this Agreement.

Section 5. Consideration. The Issuer has issued the Governmental Lender Note to obtain moneys for the purpose, among others, of financing the Loan made to the Owner for the acquisition, construction and equipping of the Project as a residential development principally for persons of low or moderate income. In consideration of the issuance of the Note by the Issuer, the Owner has entered into this Agreement.

Section 6. Reliance. The Issuer and the Owner hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all persons interested in the legality and validity of the Governmental Lender Note and in the exemption from federal income taxation of the interest on the Governmental Lender Note. In performing their duties and obligations hereunder, the Issuer and the Fiscal Agent may rely upon statements and certificates of the Owner, Eligible Tenants and Lower-Income Tenants believed to be genuine and to have been executed by the proper purported person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, the Issuer and the Fiscal Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by the Issuer or the Fiscal Agent hereunder in good faith and in conformity with the opinion of such counsel. In performing its duties and obligations hereunder, the Owner may rely upon certificates of Eligible Tenants and Lower-Income Tenants reasonably believed to be genuine and to have been executed by the proper person or persons.

Section 7. Project Within the County Limits. The Owner hereby represents and warrants that the Project is located entirely within the limits of the County.

Section 8. Sale and Conveyance of Project. (a) The Owner shall not sell, transfer or encumber the Project, in whole or in part, without the prior written consent of the Issuer, which consent shall be given promptly provided that (i) the Owner shall not be in Default hereunder, (ii) the continued operation of the Project shall comply with the provisions of Sections 2 and 3 of this Agreement, (iii) the subsequent purchaser or assignee shall execute any document requested by the Issuer, to acknowledge that it holds title to the Project subject to the covenants and obligations contained in this Agreement, (iv) the purchaser and assignee shall have first executed a document in recordable form addressed to the Issuer and the Fiscal Agent to the effect that such purchaser or assignee will comply with the terms and conditions of this
Agreement, and (v) such other conditions as may be reasonable under the circumstances. In the event that the purchaser or assignee shall assume the obligations of the Owner under the Loan and the Land Use Restriction Agreement to the satisfaction of the Issuer, Owner may be released from its obligations thereunder and hereunder.

(b) Notwithstanding anything contained herein, the consent of the Issuer shall not be required for (i) the removal of the Manager of the Owner and the replacement thereof pursuant to Owner’s governing documents (as amended), (ii) the transfer by any Equity Investor of the Owner of a direct or indirect member interest in Owner, or (iii) easements necessary for the construction or operation of the Project and granted in the ordinary course of business.

Section 9. Term. This Agreement shall become effective upon its execution and delivery, and shall remain in full force and effect until the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof may survive the repayment in full of the Governmental Lender Note and the Loan, if such repayment occurs prior to the later of such events. Upon the termination of this Agreement as aforesaid, upon request of any party hereto, the Issuer, the Fiscal Agent, the Owner and any successor party hereto shall execute a recordable document further evidencing such termination.

Notwithstanding the foregoing, this Agreement shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure or comparable conversion, change in a federal law or an action of a federal agency after the date the Governmental Lender Note is issued which prevents compliance with the covenants expressed herein, or condemnation or similar event (as determined by the Fiscal Agent), but only if, within a reasonable period either (i) the Governmental Lender Note is paid in full, or (ii) amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulations Section 1.103-8(b), in such event, upon the request of the Owner and at the expense of the Owner, the parties hereto shall execute an appropriate document in recordable form to evidence such automatic termination; provided, however, that the restrictions thereof shall nevertheless apply to the Project if, at any time during that part of the Qualified Project Period subsequent to any involuntary event as described in this paragraph, the obligor on the acquired purpose obligation (as that phrase is defined in Treasury Regulations Section 1.103-13(b)(4)(iv)(a) or a related person (as that term is defined in Treasury Regulations Section 1.103-10(e)) obtains an ownership interest in the Project for tax purposes.

Notwithstanding any other provisions of this Agreement, this entire Agreement, or any of the provisions or Sections hereof, may be terminated upon agreement by the Issuer, the Fiscal Agent and the Owner if there shall have been received an opinion of Bond Counsel that such termination will not adversely affect the exemption from federal income taxation of the interest on the Governmental Lender Note.
Section 10. **Compliance Monitoring of Project.** (a) Compliance monitoring of the Project shall be a responsibility of a Compliance Agent designated by the Issuer. The Issuer has designated the initial Compliance Agent, and the Compliance Agent shall be responsible for monitoring the Owner’s compliance with restrictions regarding the use or occupancy of the Project in order to assure that the requirements of Section 142(d) of the Code and regulations thereunder, and of State law with respect to Eligible Tenants, are being satisfied on a continuing basis. In the event that the Compliance Agent shall ever resign, be removed, or otherwise, in the opinion of the Issuer, fail to perform the duties of the Compliance Agent set forth in this Section 10, the Issuer shall direct the hiring of a successor Compliance Agent (which may be the Issuer). The Compliance Agent shall:

(i) conduct an initial briefing with the Project manager and upon any change in the entity responsible for management of the Project, with such new entity, regarding procedures for filing tenant Income Certification forms, and Compliance Certificates, with the Fiscal Agent, and for verifying income of Lower-Income Tenants;

(ii) provide a monthly summary report to the Issuer detailing the ratios of units occupied by Lower-Income Tenants and Eligible Tenants; and

(iii) conduct annual on-site audits of Project tenant records to augment the forms provided to the Compliance Agent, when requested by the Issuer and when the Compliance Agent becomes aware that potential deficiencies or violations may exist with respect to occupancy or use of the Project.

(b) The Compliance monitoring duties of the Compliance Agent, shall continue until:

(i) the expiration of the Qualified Project Period with respect to satisfying the requirements of Section 142(d) of the Code; and

(ii) the later of expiration of the Qualified Project Period or the first date on which no debt of the Issuer with respect to the Project remain Outstanding with respect to satisfying the requirements of State law regarding Eligible Tenants.

The Owner shall be authorized to perform its duties under this Section 10 by contracting with an independent agency experienced in furnishing compliance monitoring services. It is understood and agreed by the parties hereto that so long as the Owner has hired, on behalf of the Issuer, a Compliance Agent for the purpose of monitoring the Owner’s compliance with the requirements contained herein, the Owner shall not be responsible or held accountable for such compliance monitoring. It is further agreed that neither the Issuer nor the Fiscal Agent shall be responsible or liable for any action or inaction taken or not taken by any such Compliance Agent hired by the Owner hereunder, nor shall the Issuer or the Fiscal Agent be responsible or
liable for the payment of any fees or expenses of the Compliance Agent or any successor Compliance Agent in performing its duties under this Agreement.

Section 11. Enforcement. If the Owner Defaults in the performance of its obligations under this Agreement or breaches any covenant, agreement or warranty of the Owner set forth in this Agreement, and if such Default remains uncured for a Period of 30 days after notice thereof shall have been given by the Fiscal Agent (at the direction of any one person or entity owning the Governmental Lender Note; provided, however, if no single holder owns the Governmental Lender Note, then the holder, if any, appointed to serve in such capacity by the holder of more than fifty percent (50%) in aggregate principal amount of the Governmental Lender Note) or the Issuer to the Owner (or for an extended period, if such Default stated in such notice can be corrected, but not within such 30-day period, and if the Owner commences such correction within such 30-day period, and thereafter diligently pursues the same to completion within such extended period), then, subject to Section 15 hereof, the Issuer may, or the Fiscal Agent shall, at the written direction of the Issuer, take such action at law or in equity, as is necessary in order to obtain specific performance of any covenant or other obligation of the Owner in this Agreement provided that the Fiscal Agent is indemnified to the reasonable satisfaction of the Fiscal Agent for all expenses to which it may be put and against any liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct, by reason of any action taken. The Owner specifically acknowledges and agrees that the only viable remedy available to the Issuer and the Fiscal Agent for the Owner’s default under this Agreement is specific performance or other injunctive relief. A reasonable time shall be at least 60 days (or 90 days for any Default not caused by a violation of Section 2 or 3 hereof) after such Default is first discovered by the exercise of reasonable diligence.

The Fiscal Agent and the Issuer shall have the right, either jointly or severally, to enforce this Agreement and require curing of Defaults in such shorter periods than specified above as Bond Counsel may determine necessary to maintain the exemption from federal income taxation of the interest on the Governmental Lender Note.

The Fiscal Agent shall have the right but not the obligation, in accordance with this Section 11, following written notice to the Issuer, to exercise any or all of the Issuer’s rights or remedies hereunder.

Notwithstanding anything contained in this Agreement to the contrary, the occurrence of an event of default under this Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the Loan Documents (exclusive of this Agreement) except as specified in the Loan Documents. The parties hereto agree that the maturity date of the Loan may be accelerated solely by the holder thereof upon the occurrence of a default on the part of the Owner under the Loan Documents (exclusive of this Agreement) which is not cured during any applicable grace period in accordance with their respective terms and for no other reason.
Notwithstanding anything contained in this Agreement to the contrary, in the event the Owner is in default under this Agreement and fails to take steps necessary to cure such default within a reasonable time, then any partner of Owner, including the Equity Investor and its successors and assigns, shall have the right, but not the obligation, to undertake a cure of such default and the Fiscal Agent and Issuer shall not call a default or exercise any rights or remedies hereunder without providing notice and 30 day cure period to Equity Investor.

Section 12. Recording and Filing; Covenants to Run With the Land. (a) Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the official public deed records of the County and in such manner and in such other places as the Issuer may reasonably request, and shall pay all fees and charges incurred in connection therewith.

(b) This Agreement and the covenants contained herein shall run with the Land and shall bind, and the benefits shall inure to, respectively, the Owner, the Issuer, and the Fiscal Agent and their respective successors and assigns during the Term of this Agreement.

Section 13. Governing Law. This Agreement shall be governed by the laws of the State of Florida, both substantive and relating to remedies.

Section 14. Assignments and Amendments.

(a) The interest of the Issuer in this Agreement (but not its consent rights and its rights to direct the Fiscal Agent) shall be assigned to the Fiscal Agent and the rights of the Issuer hereunder shall be enforceable by the Fiscal Agent pursuant to Section 11 hereof. The Owner shall not assign its interest hereunder, except by writing and in accordance with the provisions of Section 8 hereof.

(b) To the extent the Code and the regulations promulgated thereunder, or any amendments thereto, shall impose requirements upon the ownership or operation of the Project that are in addition to or more or less restrictive than those imposed by this Agreement, the Owner, the Issuer and the Fiscal Agent agree that this Agreement shall be deemed to be automatically amended to impose such additional restrictive requirements, less restrictive requirements or more restrictive requirements, but only to the extent required by an opinion of Bond Counsel to maintain the exemption from federal income taxation of the interest income on the Governmental Lender Note, or to delete or impose less restrictive requirements, as appropriate; and the Owner, the Fiscal Agent and the Issuer shall execute, deliver, and if applicable, file of record any and all documents and instruments necessary in the opinion of Bond Counsel to maintain the tax-exempt status of the interest on the Governmental Lender Note, and if the Owner or the Issuer defaults in the performance of its obligation under this subsection; the Owner and the Issuer hereby appoint the Fiscal Agent as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Owner or the Issuer, as is applicable, any such document or instrument; provided, however, that the Fiscal
Agent shall take no action under this subsection without first notifying the Owner and the Issuer of its intention to take such action, without provision for indemnification by the Owner and without first providing the Owner or the Issuer, or all such parties, as is applicable, an opportunity to comply with the requirements of this subsection; and provided further that the Fiscal Agent shall take no action under this subsection which will have substantially detrimental effect upon the Owner or upon the operation of the Project without first notifying the Owner in writing. The Issuer, the Fiscal Agent and the Owner may from time to time enter into one or more amendments or supplements this Agreement, for any of the following purposes:

(i) To correct or amplify the description of the Project;

(ii) To evidence the succession of another person or entity to the Issuer, the Fiscal Agent or the Owner and the agreement by any successor to perform the covenants of their predecessor;

(iii) To add to the covenants of the Owner for the benefit of the other parties to this Agreement or the owner of the Governmental Lender Note to the extent required in order to maintain the tax-exempt status of interest on the Governmental Lender Note pursuant to the Code;

(iv) To cure any ambiguities, to correct or supplement any provisions of this Agreement which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement, which will not be inconsistent with the provisions of this Agreement, provided that such action will not adversely affect the interests of the owner of the Governmental Lender Note;

(v) To preserve or perfect any exemption from federal income taxes of interest on the Governmental Lender Note; or

(vi) With an approving opinion of Bond Counsel stating that such amendment or supplement will not adversely affect the tax-exempt status of interest on the Governmental Lender Note, to amend the covenants of the Owner hereunder to the extent consistent with any applicable amendment to the Code and the regulations promulgated thereunder.

Section 15. **Nonrecourse Liability of the Owner**. Notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, (i) from and after the date of this Agreement, the liability of the Owner with respect to its obligations under this Agreement (other than its indemnity obligations) shall be limited to the interest in the Project, and the Issuer shall look exclusively thereto, or to such other security as may from time to time be given for payment of the obligations under the Loan Documents, and any judgment rendered against
the Owner in its capacity as such under this Agreement shall be limited to the Project, and any other security so given for satisfaction thereof; and (ii) from and after the date of this Agreement, no deficiency or other personal judgment shall be rendered against the Owner, its heirs, personal representatives, successors, transferees or assigns, as the case may be, in any action or proceeding arising out of this Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding. The Owner (and not its Members) shall have recourse liability to the Issuer and the Fiscal Agent for any indemnification obligations of the Owner under this Agreement.

Section 16. Notice. Any notice required to be given hereunder shall be given by personal delivery, by registered U.S. mail or by registered expedited service at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto, and any such notice shall be deemed received on the date of delivery if by personal delivery or expedited delivery service, or upon actual receipt if sent by registered U.S. mail.

Issuer: Housing Finance Authority of Pinellas County, Florida  
26750 U.S. Hwy 19 N., Suite 110  
Clearwater, Florida 33761  
Attention: Executive Director  
Facsimile: (727) 255-5562

Owner: SP Trail LLC  
5403 W. Gray Street  
Tampa, Florida 33609  
Attention: Scott Seckinger  
Email: sseckinger@sphome.com  
Telephone: (813) 288-6988  
Facsimile: (813) 288-1511

And with copy to: Raymond James Housing Opportunities Fund 37 L.L.C.  
c/o Raymond James Tax Credit Funds, Inc.  
880 Carillon Parkway  
St. Petersburg, Florida 33716  
Attention: Steven J. Kropf, President

And with copy to: Nuyen, Tomtishen and Aoun, P.C.  
2001 Commonwealth Blvd., Suite 300  
Ann Arbor, Michigan 48105  
Attention: Brad M. Tomtishen
And with copy to: Pepple Cantu Schmidt PLLC
2430 Estancia Blvd., Ste 114
Clearwater, Florida 33761
Attention: David O. Cantu
Email: dcantu@pcslegal.com

If to Funding Lender:
Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Transaction Management Group
Deal ID# 24495
Facsimile: (212) 723-8209

And with copy to:
Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Deal ID# 24495
Facsimile: (805) 557-0924

And if prior to the Conversion Date:
Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Account Specialist
Deal ID# 24495
Facsimile: (212) 723-8209

Following the Conversion Date, with a copy to:
Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Deal ID #24495
Facsimile: (215) 328-0305
And a copy of any notices of default sent to:
Citibank, N.A.
388 Greenwich Street
New York, New York 10013
Attention: General Counsel’s Office
Deal ID #24495
Facsimile: (646) 291-5754

If to Fiscal Agent:
U.S. Bank National Association
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309
Attention: Corporate Trust Department
Facsimile: (954) 202-2082

Section 17. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

Section 18. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

[Remainder of page left intentionally blank – signatures follow]
IN WITNESS WHEREOF, the Issuer, the Fiscal Agent and the Owner have caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first written hereinabove.

[SEAL] 

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

ATTEST: 

By: ________________________________

Casey Cane, Chairman

Kathryn Driver
Assistant Secretary/Executive Director

ACKNOWLEDGEMENT OF ISSUER

STATE OF FLORIDA )
COUNTY OF PINELLAS )

The foregoing LAND USE RESTRICTION AGREEMENT was executed and acknowledged before me this _____ day of __________, 2018, by Casey Cane and Kathryn Driver, respectively, as Chairman and Assistant Secretary/Executive Director, respectively of the Housing Finance Authority of Pinellas County, Florida, who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that they did such on behalf of the Issuer.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal the day and year in this Land Use Restriction Agreement first above written.

[Issuer’s Signature page to LURA – Pinellas]

S-1
SP TRAIL LLC, a Florida limited liability company

Witness: By: SP Trail Manager LLC, a Florida limited liability company, its Manager

By: ______________________________
    Name: J. David Page
    Title: Manager

______________________________
Signature

__________________________
Printed Name

Witness:

By: ______________________________
    Signature

__________________________
Printed Name

ACKNOWLEDGEMENT OF OWNER

STATE OF WASHINGTON )
    ) SS.
County of PIERCE )

I certify that I know or have satisfactory evidence that J. David Page is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Manager of SP Trail Manager LLC, a Florida limited liability company, Manager of SP Trail LLC, a Florida limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: __________________.

______________________________
Name (typed or printed): __________________

NOTARY PUBLIC in and for the State of Washington
Residing at ______________________________
My appointment expires: __________________

[Owner's Signature page to LURA - Pinellas]
U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent

By: ________________________________
   Name: Scott A. Schuhle
   Title: Vice President

ACKNOWLEDGEMENT OF FISCAL AGENT

STATE OF FLORIDA        )
COUNTY OF BROWARD        )

The foregoing LAND USE RESTRICTION AGREEMENT was executed and acknowledged before me this _____ day of __________, 2018, by Scott A. Schuhle, as Vice President of U.S. Bank National Association, a national banking association, who executed the within LAND USE RESTRICTION AGREEMENT and acknowledged to me that he did such on behalf of U.S. Bank National Association.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this Land Use Restriction Agreement first above written.

________________________
NOTARY PUBLIC -- STATE OF FLORIDA

Personally Known _______
OR
Produced Identification ___

Print, Type or Stamp Commissioned
Name of Notary Public

Type of Identification
Produced ________________

My Commission Expires:

[Fiscal Agent's Signature page to LURA - Pinellas]
EXHIBIT A

LEGAL DESCRIPTION

[TBD]
EXHIBIT B

FORM OF INCOME CERTIFICATION

INCOME CERTIFICATION

The undersigned hereby (certify) (certifies) that:

1. This Income Certification is being delivered in connection with the undersigned’s application for occupancy of apartment #________ in the _______________________________ in _______County, Florida.

2. List all occupants of the apartment, the relationship (if any) of the various occupants, their ages, and indicate whether they are students (for this purpose, a student is an individual who is or will be, a full-time student at an educational institution during five (5) months of the year in which this application is submitted, other than correspondence school, with regular facilities and students).

   The total anticipated income as acceptable with the Housing Finance Authority and consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended for each person listed below during the 12 month period commencing with the date occupancy will begin.

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
<th>Age</th>
<th>Student Yes/No</th>
<th>Anticipated Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(b)</td>
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<td>(f)</td>
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</tr>
</tbody>
</table>

   TOTAL INCOME ______________________

3. Are any of the students listed above eligible to file a joint return for Federal Income Tax purposes? Yes:____ No:____

4. If any of the occupants listed in Section 2 has any savings, bonds, or equity in real property, or other forms of capital investment (but do not include necessary items such as furniture or automobiles) * enter the following amounts:

   * Include the value over and above actual consideration received, except in foreclosure or bankruptcy, of any asset disposed of for less than fair market value within two (2) years of the date of this Income Certification.
a. The total value of all such assets owned by all persons: $________________.

b. A percentage of the value of such assets based on the current passbook savings rate, as determined by HUD (applicable passbook savings rate______%): $______________. ** If assets do not exceed $5,000 and resident is not Low, do not impute assets.

c. The amount of income expected to be derived from such assets in the 12 month period commencing with the occupancy of the unit: $______________.

5. RESIDENT'S STATEMENT: The information on this form is to be used to determine maximum income for eligibility. I/We have provided, for each person set forth in Section 2, either (a) An Employer's Verification of current anticipated annual income, if the occupant is currently employed, or (b) if the occupant is currently unemployed, such other evidence of current anticipated income as is consistent with income determinations under Section 8 of the United States Housing Act of 1937, as amended, or (c) copies of the occupants most recent Federal Income Tax Return, if a return was filed for the most current year. I/We certify that the statements above are true and complete to the best of my/our knowledge and belief on the date hereof and are given under penalty of perjury.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
<th>Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
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<td>(c)</td>
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</tr>
<tr>
<td>(b)</td>
<td></td>
<td>(d)</td>
<td></td>
</tr>
</tbody>
</table>

6. OWNER/DEVELOPER STATEMENT: The family or individual(s) named in Section 2 of the Income Certification attached hereto is/are eligible under the provisions of the Land Use Restriction Agreement, to live in a unit in the Project, as defined in the Loan Agreement, between the owner and the Housing Finance Authority, and based upon the aggregate anticipated annual income set forth in Section 2 and, if applicable, the greater of the amounts in Section 4 (b), or (c), which in the aggregate will be $(_____________________________), constitutes (check one):

___a. A Very Low Income Tenant (maximum income $____________________); or

___b. A Lower-Income Tenant (maximum income $____________________); or

___c. An Eligible Tenant other than a Lower-Income Tenant (Maximum income $____________________).

_________________________________________  ____________
Signature of Owner's Authorized Representative  Date
EXHIBIT C

FORM OF CERTIFICATE CONCERNING COMMENCEMENT
AND TERMINATION OF QUALIFIED PROJECT PERIOD

THIS CERTIFICATE is being executed pursuant to the provisions of the Funding Loan Agreement, dated as of [April] 1, 2018 (the "Agreement"), among the Housing Finance Authority of Pinellas County, Florida (the "Issuer"), U.S. Bank National Association (the "Fiscal Agent") and SP Trail LLC (the "Owner"), in connection with the financing by the Issuer of Woodlawn Trail Apartments (the "Project") in the County located on real property described on Exhibit "A" hereto, through the issuance of the Issuer's $[8,200,000] Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) (the "Governmental Lender Note").

The period for which the restrictions set forth in the Agreement are applicable to the Project is referred to as the "Qualified Project Period" and is defined in the Agreement as follows:

"Qualified Project Period" shall mean a period beginning on the date on which ten percent of the units are first occupied, and ending on the latest of the date (x) which is thirty (30) years after the date on which at least 50 percent of the residential units in the Project are first occupied; (y) the first day on which no tax-exempt private activity bonds issued with respect to the Project are outstanding; or (z) on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

To evidence the Qualified Project Period with respect to the Project, the Owner certified to the following:

This Instrument prepared by
(and after recording should be returned to):
Robert Reid
Bryant Miller Olive P.A.
101 North Monroe Street, Suite 900
Tallahassee, FL 32301
1. The Governmental Lender Note was issued on __________ __, 2018.

2. The date of acquisition of the Project was __________ __, 2018.

3. The maturity date of the Governmental Lender Note is __________ __, 20__.

4. The first day on which at least ten percent (10%) of the units in the Project were first occupied was __________.

5. The date on which at least fifty percent (50%) of the units in the Project were first occupied was __________.

6. The date of initial occupancy of any unit in the Project was __________.

7. Assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates on __________.

8. The Qualified Project Period is extended a minimum of 15 years beyond the period provided by the Code.

Prior to the recording of this Certificate in the land records of the County, the Owner has supplied the Issuer with documentation to establish the facts relating to the Project set forth in this Certificate, which documentation has been found satisfactory to all parties. Nothing in this Certificate is intended to modify the requirement that all units in the Project be rented as residential rental property for the term during which the Governmental Lender Note is outstanding or any provision of the Agreement.

IN WITNESS WHEREOF, the Owner has caused this Certificate to be executed by its duly authorized representative, and the Issuer has caused this Certificate to be accepted by its duly authorized representative as of this __ day of __________, 20__.

[Counterpart Signature page to Exhibit C - LURA – Pinellas follow]
WITNESS this __ day of ____________, 20__.  

SP TRAIL LLC, a Florida limited liability company

By: SP Trail Manager LLC, a Florida limited liability company, its Manager

By: ____________________________
Name: J. David Page
Title: Manager

STATE OF WASHINGTON )
) SS.
County of PIERCE )

I certify that I know or have satisfactory evidence that J. David Page is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Manager of SP Trail Manager LLC, a Florida limited liability company, Manager of SP Trail LLC, a Florida limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: ________________.

Name (typed or printed): ____________________________
NOTARY PUBLIC in and for the State of Washington
Residing at ____________________________
My appointment expires: ____________________________
HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

ATTEST:

______________________________      By: ______________________________
Kathryn Driver                      Casey Cane, Chairman
Assistant Secretary/Executive Director

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing Certificate was executed and acknowledged before me this ___ day of ______, 20__, by Casey Cane, as Chairman and Kathryn Driver, as Assistant Secretary/Executive Director of the Housing Finance Authority of Pinellas County, Florida, on behalf of said Issuer.

NOTARY PUBLIC -- STATE OF _____________

Personally Known ____ OR
Print, Type or Stamp Commissioned
Produced Identification ____
Name of Notary Public

Type of Identification
Produced ___________________
My Commission Expires:
FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT

This FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT (herein this "Agreement") is made and entered into as of [April] 1, 2018, by and among the HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body corporate and politic of the State of Florida (together with its successors and assigns, the "Issuer"), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, and having a designated corporate trust office located in Ft. Lauderdale, Florida, as fiscal agent (together with its permitted successors and assigns, the "Fiscal Agent"), and SP TRAIL LLC, a Florida limited liability company (together with its permitted successors and assigns, the "Borrower"), and SP TRAIL MANAGER LLC, a Florida limited liability company, as its manager, SOUTHPORT DEVELOPMENT, INC., a Washington corporation, and J. David Page, individually (the "Indemnitors").

WITNESSETH:

WHEREAS, the Borrower has requested that the Issuer issue its $[8,200,000] Multifamily Housing Revenue Note, Series 2018 (Woodlawn Trail Apartments) (the "Series 2018 Note") for the primary purpose of financing the acquisition, construction and equipping of a multifamily rental housing development known as Woodlawn Trail Apartments, consisting of approximately 80 units located on an approximately 8.1 acre site at 826 Woodlawn Street in the City of Clearwater, Florida (the "Project"); and

WHEREAS, the Series 2018 Note shall be issued by the Issuer pursuant to the terms and provisions of that certain Funding Loan Agreement dated as of [April] 1, 2018 (the "Funding Loan Agreement"), by and among the Issuer, the Fiscal Agent and Citibank, N.A.; and

WHEREAS, the Series 2018 Note shall be issued by the Issuer pursuant to the terms and provisions of that certain Borrower Loan Agreement dated as of [April] 1, 2018 (the "Borrower Loan Agreement"), by and among the Issuer, the Fiscal Agent and SP Trail LLC, a Florida limited liability company duly organized and existing under the laws of the State (the "Borrower"); and

WHEREAS, any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Funding Loan Agreement or Borrower Loan Agreement, as applicable; and

WHEREAS, as a condition of the Issuer issuing the Series 2018 Note for the benefit of the Borrower, the Issuer has requested that the Indemnitors enter into this Agreement and the Indemnitors have agreed subject to the terms and conditions set forth herein; and
WHEREAS, the Borrower and the Indemnitors acknowledge that it shall receive significant benefit from the issuance of the Series 2018 Note and the other financial assistance provided by the Issuer and the application of the proceeds as intended.

NOW, THEREFORE the parties hereto agree as follows:

Section 1.  Recitals. That the above recitals are hereby adopted by the parties hereto.

Section 2.  Indemnification.

A. Notwithstanding any other provision in the Funding Loan Agreement, the Borrower Loan Agreement or the Land Use Restriction Agreement (collectively, the "Bond Documents") to the contrary, the Indemnitors hereby agree, jointly and severally, to indemnify and hold harmless the Issuer and the Fiscal Agent, its officers, employees, agents, beneficiaries and their successors and assigns (collectively, the "Indemnified Parties" and individually, an "Indemnified Party") from and against all claims, demands, losses, costs, fines, penalties, judgments, suits, proceedings, orders, forfeitures, damages (including without limitation consequential damages suffered by a third party claimant) and expenses of every kind and nature whatsoever, whether joint or several, that arise out of or relate to any Hazardous Material (as hereinafter defined) at, on, in, under, affecting or otherwise related to any portion of the Project.

The foregoing indemnity includes, but is not limited to, the following: reasonable out-of-pocket attorneys’ and consultants’ fees and court costs (including those incurred at the appellate level); all actual out-of-pocket costs of removing, remediation, and implementing corrective action required by the applicable governmental authority with respect to, abating or otherwise responding to Hazardous Materials relating to the Project; costs incurred to avoid the imposition of, or to discharge, lien on the Project arising out of any environmental law, regulation, order or cleanup; all actual out-of-pocket costs of determining whether the Project is, and causing the Property to be, in compliance with all applicable environmental laws, regulations and orders (provided reasonable cause existed for incurring such costs); all actual out-of-pocket costs associated with claims for injury to persons, property or natural resources and any matter relating to the removal, monitoring or remediation of any material, substance or containment from the underground storage tanks located on the Project.

For purposes herein, "Hazardous Material" means (i) any "hazardous substance" defined as such in (or for the purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601(14), as amended from time to time, or any so-called "superfund" or "super lien" law, including the judicial interpretation thereof, (ii) any "pollutant or contaminant" as defined in 42 U.S.C.A. § 9601(33), (iii) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 260, (iv) any petroleum, including crude oil or any fraction thereof, (v) natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, (vi) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910, and (vii) any other substance, regardless of physical form that is subject to any other law or other
past, present or future requirement of any governmental authority regulating, relating to, or imposing obligations, liability or standards of conduct concerning the protection of human health, plant life, animal life, natural resources, property or the reasonable enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy, from whatever source; provided, however, that the term "Hazardous Materials" shall not apply to substances in quantities that are generally recognized to be appropriate to normal residential uses and to maintenance of mortgaged property and to substances in limits acceptable under applicable law.

B. In the event that any Indemnified Party receives notice that any action or proceeding has been brought against such Indemnified Party with respect to which indemnity may be sought hereunder, such Indemnified Party shall, as a condition of such indemnification, give written notice thereof to the Borrower within 15 days after receipt of such notice and notice from any one Indemnified Party shall be deemed notice from all Indemnified Parties. The Borrower, upon timely written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the Indemnified Party, which approval shall not be unreasonably withheld, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Issuer and the Fiscal Agent shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not unreasonably be conditioned, delayed or denied. In the event of a conflict of interest either between the Borrower or any other Indemnitor and any Indemnified Party or among any Indemnified Parties, each Indemnified Party respecting which such conflict of interest exists shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Indemnitors shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed under the circumstances described above, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

C. Except as otherwise provided herein, the obligations of the Indemnitor under this Agreement shall survive, and shall in no way be limited, impaired or otherwise affected by the foreclosure of any mortgage, acceptance by any person of a deed in lieu of foreclosure, the redemption of the Series 2018 Note, and/or the release by the Issuer or the Fiscal Agent of the Bond Documents and shall be independent of the obligations of Borrower to the Issuer or the Fiscal Agent in connection with any of the Bond Documents. The rights of the Issuer and the Fiscal Agent under this Agreement shall be in addition to any other rights and remedies of the Issuer and the Fiscal Agent under any of the Bond Documents or at law.

D. Any amount claimed hereunder accompanied by appropriate backup information by an Indemnified Party, not paid by the Indemnitor within thirty (30) days after written demand from such Indemnified Party with an explanation of the amounts claimed, shall bear interest at the prime rate as published in the Wall Street Journal on the date such demand
is made (or if no such publication occurs, the prime rate selected by the Indemnified Party), plus 2.00%.

E. In the event of any inconsistencies or conflicts between the terms of this Section 2 and the terms of the Bond Documents, the terms of this Section 2 shall control, provided however, that it is not the intention of the parties hereto to change directly or indirectly the nature of the Borrower’s nonrecourse obligation with respect to payment of the Series 2018 Note or other financial assistance under the Bond Documents or related financing arrangements, or to supersede any other indemnity obligations of the Indemnitor under the Bond Documents.

F. The liability of the Indemnitor under this Section 2 shall in no way be limited, impaired or otherwise affected by, and the Indemnitor hereby consent to and agree to be bound by, any amendment or modification of the provisions of the Bond Documents with the consent of the Borrower in accordance with the terms thereof so long as same does not expand any liability of any Indemnitor hereunder without such Indemnitor's consent thereto. In addition, except as otherwise provided herein, the liability of the Indemnitor under this Section 2 shall in no way be limited, impaired or otherwise affected by (i) any extensions of time for or waivers of performance of any covenants or obligations set forth in any of the Bond Documents, (ii) any sale, assignment or transfer of the Series 2018 Note, the Bond Documents or any sale or transfer of all or part of the Project or other security relating to the Series 2018 Note, (iii) the release of Borrower or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Bond Documents by operation of law, the Issuer’s or the Fiscal Agent’s voluntary act, or otherwise, or (iv) the Issuer’s or the Fiscal Agent’s failure to perfect, protect, secure or insure any security interest or lien given or granted as security for the performance of the obligations and covenants of Borrower pursuant to the Bond Documents, or (v) any delay or omission by the Issuer or the Fiscal Agent in its choice of remedies under the Bond Documents, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by Issuer or the Fiscal Agent at the lowest cost to Borrower, it being understood that such choice of remedies will necessarily be and should properly be a matter of business judgment, which the passage of time and events may or may not prove to have been the best choice to maximize recovery by an Indemnified Party at the lowest cost to the Borrower.

G. To the extent allowed by law, the Indemnitor hereby waives (i) any and all notices and demands of every kind which may be required to be given by any statute, rule or law except as required hereunder, (ii) any defense, right of set-off or other claim which the Indemnitor may have against any Indemnified Party, or (iii) any and all formalities which otherwise might be legally required to charge the Indemnitor with liability hereunder; provided, however, that the Indemnitor shall have no liability hereunder for any claims settled without the Indemnitors’ consent and shall have no liability hereunder unless the Indemnitor receives timely written notice as set forth in paragraph B hereof.
H. No modification or waiver of any of the provisions of this Section 2 shall be binding upon any party hereto except as expressly set forth in a writing duly signed and delivered on behalf of such party.

I. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given if given in accordance with terms of the Funding Loan Agreement.

J. Notwithstanding anything to the contrary contained herein, the Indemnitor shall have no liability to an Indemnified Party, or, as appropriate, liability shall be reduced by any applicable comparative negligence statutes, in connection with a specific claim for indemnity by an Indemnified Party if a court of competent jurisdiction shall determine that such claim for damages arises out of or was caused by the negligence or willful misconduct or intentional acts of such Indemnified Party. The Indemnitor shall have no further liability under this Agreement for any acts or omissions occurring after a mortgage foreclosure or deed in lieu of foreclosure whereby as a result therefrom neither the Borrower or a related party to the Borrower has any interest in the Project.

Section 3. Fee Guaranty. Notwithstanding any provision in the Bond Documents or any resolution or document to the contrary, the Indemnitor agrees to pay the Issuer Fee, the Fiscal Agent’s Fee and all other reasonable fees and reasonable out of pocket expenses incurred by the Issuer, their counsel, financial advisors and Tax Counsel, the Fiscal Agent and its counsel in connection with the transactions contemplated under the Bond Documents, including, but not limited to, any compliance monitoring fee and expenses under the Land Use Restriction Agreement and any reasonable expenses incurred related to enforcing such agreement. This section, until the agreements set forth in this Agreement are completely executed, shall survive the payment of the Series 2018 Note and/or the disposition of the Project.

Section 4. Termination. Except as may otherwise be provided in the Land Use Restriction Agreement with respect to the payment of the Issuer’s Fee, this Agreement shall terminate with respect to any future liability hereunder on the date the Series 2018 Note is no longer outstanding; provided, however, that this Agreement shall continue and the Indemnitor shall remain obligated hereunder for any causes or matters described in Section 2 arising or accruing prior to such termination.

Section 5. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same agreement, and in making proof of this Agreement, it shall not be necessary to produce of account for more than one such counterpart.

Section 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflict of law principles.
IN WITNESS WHEREOF, the parties hereto have caused this Fee Guaranty and Environmental Indemnity Agreement to be executed as of the date set forth above.

Issuer:

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

[SEAL]

By: ____________________________
Name: Casey Cane
Title: Chairman

ATTEST:

By: ____________________________
Name: Kathryn Driver
Title: Assistant Secretary/Executive Director

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]
Fiscal Agent:

U.S. BANK NATIONAL ASSOCIATION,

By: ________________________________
Name: Scott A. Schuhle
Title: Vice President

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]
Borrower/Indemnitor:

SP Trail LLC,
a Florida limited liability company

By: SP Trail Manager LLC,
a Florida limited liability company,
its Manager

By: ____________________________
Name: J. David Page
Title: Manager

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]
Indemnitor:

SP Trail Manager LLC,
a Florida limited liability company

By: ________________________________
Name: J. David Page
Title: Manager

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]
Indemnitor:

SOUTHPORT DEVELOPMENT, INC., a Washington corporation

By: ________________________________
Name: ______________________________
Title: ______________________________

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]
Indemnitor:

______________________________
J. David Page, individually

[Counterpart Signature page to Fee Guaranty and Environmental Indemnity Agreement]
Florida Housing Finance Corporation

Credit Underwriting Report

Woodlawn Trail

SAIL, ELI and 4% Non-Competitive Housing Credit Program

RFA 2016-109 / 2016-385S

Section A       Report Summary
Section B       Loan Conditions and HC Allocation Recommendation and Contingencies
Section C       Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

February 28, 2018
WOODLAWN TRAIL

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Section A

Report Summary
Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends Florida Housing Finance Corporation ("FHFC" or "Florida Housing") fund, a State Apartment Incentive Loan ("SAIL") of $4,100,000 and an Extremely Low Income ("ELI") Loan in the amount of $410,400. SMG also recommends an Annual Housing Credit ("HC") allocation of $607,994 to Woodlawn Trail for Construction/Permanent Financing.

DEVELOPMENT & SET-ASIDES

Development Name: Woodlawn Trail

RFA/Program Numbers: RFA 2016-109 / 2016-3855

Address: 803 Woodlawn Loop

City: Clearwater Zip Code: 33756 County: Pinellas County Size: Large

Development Category: New Construction Development Type: Garden Apts (1-3 Stories)

Construction Type: All Wood Construction

Demographic Commitment:

Primary: Family for 100% of the Units
Secondary: 

Unit Composition:

| # of ELI Units | 8 |
| # of Link Units | 4 |
| ELI Units Are Restricted to 40% AMI, or less. Total # of units with PBRA? | 0 |
| Are the Link Units Demographically Restricted? | No |
| # of NHTF Units | 0 |

Bed Rooms Bath Rooms Units Square Feet AMI% Low HOME Rents High HOME Rents Gross HC Rent Utility Allow. Net Restricted Rents PBRA Contri Rents Applicant Rents Appraiser Rents CU Rents Annual Rental Income

| 2 | 2.0 | 6 | 1,064 | 40% | $539 | $75 | $464 | $464 | $464 | $464 | $33,408 |
| 2 | 2.0 | 50 | 1,064 | 60% | $808 | $75 | $733 | $733 | $733 | $733 | $439,800 |
| 3 | 2.0 | 2 | 1,211 | 40% | $622 | $79 | $543 | $543 | $543 | $543 | $13,032 |
| 3 | 2.0 | 22 | 1,211 | 60% | $933 | $79 | $854 | $854 | $854 | $854 | $225,456 |
| 80 | 88,648 | $711,696 |

Buildings: Residential - 5 Non-Residential - 2

Parking: Parking Spaces - 177 Accessible Spaces - 8

Set Asides:

<table>
<thead>
<tr>
<th>Program</th>
<th>% of Units</th>
<th># of Units</th>
<th>% AMI</th>
<th>Term (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIL/ELI</td>
<td>100.0%</td>
<td>8</td>
<td>40%</td>
<td>50</td>
</tr>
<tr>
<td>SAIL</td>
<td>90.0%</td>
<td>72</td>
<td>60%</td>
<td>50</td>
</tr>
<tr>
<td>HC</td>
<td>100.0%</td>
<td>80</td>
<td>60%</td>
<td>50</td>
</tr>
</tbody>
</table>

WOODLAWN TRAIL

FEBRUARY 28, 2018
The Development is not located in and does not qualify as a Limited Development Area ("LDA"); therefore, the Applicant must commit to set aside ten percent (10%) of the total units (8 units) as ELI Set-Aside units.

Persons with a Disabling Condition Set-Aside Commitment: The proposed development must set aside fifty percent (50%) of the ELI Set-Aside units (4 units) as Link units for Persons with a Disabling Condition. In order to meet the commitment to set aside ELI units as Link units for Persons with a Disabling Condition, the Applicant must develop and execute a Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with a Disabling Condition for the county where the proposed Development will be located (Pinellas County). The fully executed MOU was due to Florida Housing by December 31, 2017 but no later than the date the first building is placed in service. The owner was unable to meet the deadline, therefore an extension was approved by the Corporation, and a non-refundable processing fee of $5,000 was charged to the owner.

Absorption Rate: 25 units per month for 1.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
Occupancy Comments: Stabilization to be reached 1 month post completion.

In the Meridian rental market analysis, the absorption performance of comparable/competitive apartment rentals was analyzed. The analysis indicated an average of 5 to 41 units per month with a mean of 22 units per month (including pre-leasing efforts). Based on this data, Meridian determined an absorption rate of 25 per units per month. With pre-leasing efforts Meridian estimates the subject will achieve stabilized occupancy one month after construction completion.

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
Site Acreage: 7.98 Density: 10.0251 Flood Zone Designation: X
Zoning: MDR - Medium Density Residential District Flood Insurance Required?: No

It should be noted that the majority of the subject site is located in Flood Zone X an area determined to be outside of the 500-year flood plain. However, there is a small area located along the western boundary and in the northwestern corner of the site that is designated as Flood Zone AE, areas where base flood elevations have been determined. Although it appears that no building structures will be placed in these areas, roadways and parking facilities are present; therefore, Seltzer recommends further investigation into these specific elevations to determine if flood insurance will be required post construction completion.
<table>
<thead>
<tr>
<th>DEVELOPMENT TEAM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Applicant/Borrower:</strong></td>
</tr>
<tr>
<td><strong>Manager:</strong></td>
</tr>
<tr>
<td><strong>Limited Partner:</strong></td>
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<tr>
<td><strong>Special LP:</strong></td>
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<tr>
<td><strong>Construction Completion Guarantor(s):</strong></td>
</tr>
<tr>
<td>CC Guarantor 1:</td>
</tr>
<tr>
<td>CC Guarantor 2:</td>
</tr>
<tr>
<td>CC Guarantor 3:</td>
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<td>CC Guarantor 4:</td>
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<tr>
<td><strong>Operating Deficit Guarantor(s):</strong></td>
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<tr>
<td>OD Guarantor 1:</td>
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<tr>
<td>OD Guarantor 2:</td>
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<tr>
<td>OD Guarantor 3:</td>
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<tr>
<td>OD Guarantor 4:</td>
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<tr>
<td><strong>Note Purchaser:</strong></td>
</tr>
<tr>
<td><strong>Developer:</strong></td>
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<tr>
<td><strong>Principal 1:</strong></td>
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<td><strong>Principal 2:</strong></td>
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<td><strong>DEVELOPMENT TEAM (cont)</strong></td>
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<td><strong>General Contractor 1:</strong></td>
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<td><strong>Const. Credit Enhancer:</strong></td>
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<td><strong>Perm. Credit Enhancer:</strong></td>
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<td><strong>Syndicator:</strong></td>
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<td><strong>Note Issuer:</strong></td>
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<td><strong>Architect:</strong></td>
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<td><strong>Market Study Provider:</strong></td>
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<td><strong>Appraiser:</strong></td>
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### PERMANENT FINANCING INFORMATION

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<th></th>
<th>1st Source</th>
<th>2nd Source</th>
<th>3rd Source</th>
<th>4th Source</th>
<th>5th Source</th>
<th>Other</th>
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<td>Lien Position</td>
<td>Citibank</td>
<td>FHFC</td>
<td>FHFC</td>
<td>City of Clearwater</td>
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<td>Amount</td>
<td>$3,115,018</td>
<td>$4,100,000</td>
<td>$410,400</td>
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<td>Underwritten Interest Rate</td>
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<td>All In Interest Rate</td>
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<td>Loan Term</td>
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<td>Amortization</td>
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<td>62.0%</td>
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<td>LTV</td>
<td>70.8%</td>
<td>164.0%</td>
<td>173.3%</td>
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<td>Loan to Cost - Cumulative</td>
<td>20.8%</td>
<td>48.2%</td>
<td>50.9%</td>
<td>52.7%</td>
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<tr>
<td>Loan to Cost - SAIL Only</td>
<td>27.4%</td>
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<td>Debt Service Coverage</td>
<td>1.257</td>
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<td>0.994</td>
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<td>Operating Deficit &amp; Debt Service Reserves</td>
<td>$170,000.00</td>
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<td>Deferred Developer Fee</td>
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<td>As-Is Land Value</td>
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<td>As-Is Value (Land &amp; Building)</td>
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<td>Market Rent/Mortgage Stabilized Value</td>
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<td>Rent Restricted Market Financing Stabilized Value</td>
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<td>Rent Restricted Favorable Financing Stabilized Value</td>
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<td>Projected Net Operating Income (NOI) - Year 1</td>
<td>$263,885</td>
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<td>Projected Net Operating Income (NOI) - 15 Year</td>
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<td>Year 15 Pro Forma Income Escalation Rate</td>
<td>2.00%</td>
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<td>Year 15 Pro Forma Expense Escalation Rate</td>
<td>3.00%</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note Structure</td>
<td>Back-to-Back Tax-Exempt Loan</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Housing Credit (HC) Syndication Price</td>
<td>$0.95</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>HC Annual Allocation - Initial Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>HC Annual Allocation - Qualified in CUR</td>
<td>$607,994</td>
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<td></td>
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<tr>
<td>HC Annual Allocation - Equity Letter of Interest</td>
<td>$568,092</td>
<td></td>
<td></td>
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</table>
CONSTRUCTION/PERMANENT SOURCES:

<table>
<thead>
<tr>
<th>Source</th>
<th>Lender</th>
<th>Construction</th>
<th>Permanent</th>
<th>Perm Loan/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>Citibank</td>
<td>$8,200,000</td>
<td>$3,115,018</td>
<td>$88,938</td>
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<tr>
<td>Second Mortgage - SAIL</td>
<td>FHFC</td>
<td>$4,100,000</td>
<td>$4,100,000</td>
<td>$51,250</td>
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<tr>
<td>Third Mortgage - EU</td>
<td>FHFC</td>
<td>$410,400</td>
<td>$410,400</td>
<td>$5,130</td>
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<tr>
<td>Grant</td>
<td>City of Clearwater</td>
<td>$275,000</td>
<td>$275,000</td>
<td>$3,438</td>
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<tr>
<td>HC Equity</td>
<td>RJTC</td>
<td>$1,251,962</td>
<td>$5,396,876</td>
<td>$67,461</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>Southport</td>
<td>$745,636</td>
<td>$1,685,704</td>
<td>$21,071</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$14,982,998</td>
<td>$14,982,998</td>
<td>$187,287</td>
</tr>
</tbody>
</table>

Financing Structure:
Applicant submitted a Multifamily Revenue Bond Program Application to the Housing Finance Authority of Pinellas County (“HFAPC”). The Woodlawn Trail transaction will not involve the issuance of HFAPC Tax-Exempt Bonds. However, Citibank, N.A. (“Citi”) will loan up to $8,200,000 to the HFAPC through a Tax-Exempt “Back-to-Back” Loan (“TEL”) in connection with the construction financing of the subject development with a reduction to $3,115,018 at conversion to the permanent period. The proceeds of the TEL (or “Funding Loan”) will be used by the HFAPC to provide funding, on a draw down basis, to the Applicant through a project loan with matching economic terms. The Funding Loan will be a non-recourse obligation of HFAPC that is secured solely by the receipts and revenues from the project loan and the collateral pledged therefore (including a First Mortgage Lien with respect to the real property).
Changes from the Application:

<table>
<thead>
<tr>
<th>COMPARISON CRITERIA</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the level of experience of the current team equal or exceed that of the team</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>described in the application?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all funding sources the same as shown in the Application?</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Are all local government recommendations/contributions still in place at the level</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>described in the Application?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the Development feasible with all amenities/features listed in the Application?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Do the site plans/architectural drawings account for all amenities/features listed in</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>the Application?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the Applicant have site control at or above the level indicated in the Application?</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Does the Applicant have adequate zoning as indicated in the Application?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Has the Development been evaluated for feasibility using the total length of set-aside</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>committed to in the Application?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have the Development costs remained equal to or less than those listed in the</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Application?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the Development feasible using the set-asides committed to in the Application?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>If the Development has committed to serve a special target group (e.g. elderly, large</td>
<td></td>
<td></td>
</tr>
<tr>
<td>family, etc.), do the development and operating plans contain specific provisions for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>implementation?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>HOME ONLY: If points were given for match funds, is the match percentage the same as</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>or greater than that indicated in the Application?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HC ONLY: Is the rate of syndication the same as or greater than that shown in the</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Application?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the Development in all other material respects the same as presented in the</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Application?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following are explanations of each item checked “No” in the table above:

1. The application for funding included Regions Bank as the equity provider for the subject development. Subsequent to the submission of the application the Applicant changed its equity provider to Raymond James Tax Credit Fund.

2. The Applicant provided an executed Purchase & Sale Contract by and between Woodlawn Church of God Board of Trustees (“Seller”) and Southport Financial Real Estate, LLC (“Purchaser”) for an agreed upon purchase price of $1,000,000. Per the Applicant, it is now expected that Pinellas
County will purchase the land directly from the Seller, at which time the Applicant will enter into a 99-year lease with HFAPC. The land will remain in the ownership of Pinellas County as the beneficial owner and the Housing Finance Authority acting as Trustee of the Property.

The Applicant submitted a “Woodlawn Trail Land Assembly Commitment” indicating funds not to exceed $1,000,000 are available to purchase the land from the current owner. The letter also indicates that the land lease will be for a term of 99 years. Additional terms and conditions will be detailed in the security instruments executed as part of the financing agreement. Terms and conditions are expected to be consistent with a similarly negotiated ground lease for Garden Trail Apartments (underwritten by SMG in October 2015) which identified a yearly ground lease payment of $10,101 for the first seven years of the lease, escalating in years eight (8) and thirteen (13), and every five years thereafter. The November 2017 appraisal received from Meridian Appraisal Group, Inc. indicated a Ground Leasehold Value of the subject property, consistent with the terms of Garden Trail ground lease, of $810,000.

3. Total Development Costs (“TDC”) as stated in the application were $14,544,331. TDC have increased to $14,982,998 an increase of $438,667 or 3.01%. Construction, Financial Costs, Developer Fee, and Reserves have increased by $1,148,927, $244,836, $225,539, and $170,000, respectively, offset by general development and acquisition cost of $380,338 and $989,899, respectively.

4. The Regions Bank letter of interest to provide equity funding included a rate of syndication stated at $1.05; the Raymond James Equity Fund rate of syndication is stated at $.95.

5. The Woodlawn Trail Application indicated that the proposed development met the requirements to be considered concrete construction. Subsequent to Application submission the Applicant submitted a request to Florida Housing to change construction design from concrete to wood construction. Florida Housing approved the requested change on April 25, 2017.

These changes have no substantial material impact to the HC/SAIL/ELI recommendations for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

Florida Housing’s Past Due Report dated January 11, 2018 reflects the following past due item(s): None

The Asset Management Noncompliance Report dated January 11, 2018 reflects the following noncompliance issues: None.

This recommendation is subject to satisfactory resolution (as determined by FHFC) of any outstanding past due and/or noncompliance issues prior to loan closing.

Strengths:

1. Per the Market Study, Meridian Appraisal Group, Inc. (“Meridian”), states that there is adequate demand for affordable housing in the subject’s Primary Market Area (“PMA”).

2. Per the Market Study, Meridian advised that the comparable properties in the subject’s market area are reporting a weighted average occupancy rate of 96.6%.
3. Although the Borrower and general partner are newly formed, the main principal of the Developer, General Contractor, and the management company, J. David Page, has sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Mitigating Factors: None

Waiver Requests/Special Conditions: None

Additional Information: None

Issues and Concerns:

1. SMG has resized the Citibank permanent first mortgage loan from the allowable maximum amount of $3,600,000 to $3,115,018 in order to meet the minimum debt service coverage ratio of 1.00 for the SAIL and superior mortgages. The Applicant has agreed to defer at least 35 percent of its Developer Fee for at least six (6) months following construction completion to comply with Rule 67-48.0072 (11). The Applicant has requested that the first mortgage loan be resized at loan closing to determine if a higher first mortgage can be supported based on the interest rate environment at the time of loan closing while meeting all minimum FHFC debt service ratio requirements. SMG believes this to be a reasonable request.

2. Per the Raymond James Tax Credit Funds (“RJTCF”) LOI, the Operating Deficit Reserve will be funded at the time of the Stabilization Capital Contribution. The reserve shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow). Funds shall be used exclusively for operating deficit incurred by the Partnership; draws in excess of $25,000 require the consent of RJTCF. Once the general partners have fully funded their obligations under the Operating Deficit Guaranty and should the reserve drop below $170,000, net cash flow on each payment date will be deposited in the reserve account to maintain the $170,000 minimum balance.

The release of the ODR at the end of the Compliance Period and distributed as Net Cash Flow does not conform to FHFC ODR release criteria. Prior to loan closing the release criteria of the ODR as stated in the Limited Partnership Agreement will be required to conform to FHFC requirements as stated on Page B-2 item #15 of this Report.

Recommendation:

SMG recommends FHFC fund, in conjunction with the funding of a SAIL Second Mortgage of $4,100,000 and an ELI Third Mortgage Loan in the amount of $410,400. SMG also recommends an Annual HC allocation of $607,994 to Woodlawn Trail for Construction/Permanent Financing. This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the SAIL and SAIL/ELI Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

This recommendation is only valid for six months from the date of the report.

Prepared by: Reviewed by:

WOODLAWN TRAIL

FEBRUARY 28, 2018
Richard Crogan  
Credit Underwriting Assistant Manager

Cindy Highsmith  
Credit Underwriting Manager
Overview

Construction Financing Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Lender</th>
<th>Applicant</th>
<th>Revised Applicant</th>
<th>Underwriter</th>
<th>Interest Rate</th>
<th>Construction Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>Citibank</td>
<td>$8,200,000</td>
<td>$6,500,000</td>
<td>$8,200,000</td>
<td>5.144%</td>
<td>$300,538</td>
</tr>
<tr>
<td>Second Mortgage - SAIL</td>
<td>FHFC</td>
<td>$4,100,000</td>
<td>$4,100,000</td>
<td>$4,100,000</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>Third - EU</td>
<td>FHFC</td>
<td>$410,400</td>
<td>$410,400</td>
<td>$410,400</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>Fourth - Grant</td>
<td>City of Clearwater</td>
<td>$75,000</td>
<td>$250,000</td>
<td>$275,000</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>HC Equity</td>
<td>RJTCF</td>
<td>$4,535,546</td>
<td>$1,251,962</td>
<td>$1,251,962</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>Southport</td>
<td>$1,000,000</td>
<td>$5,147,280</td>
<td>$745,636</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$18,320,946</td>
<td>$17,659,642</td>
<td>$14,982,998</td>
<td></td>
<td>$300,538</td>
</tr>
</tbody>
</table>

Proposed MMRN:

Per a February 13, 2018 (updated from June 19, 2017) Term Sheet Citibank, N.A. will arrange a tax exempt construction/permanent loan to the HFAPC in an amount up to $8,200,000, such that the HFAPC can provide the Applicant a tax exempt funding loan for construction financing in a like amount. In any event, the total loan cannot exceed 80% of the costs covered through the construction phase.

The loan will be interest only payable monthly during the construction period. Loan interest is based on a variable rate equal to the one month London Interbank Offered Rate (“LIBOR”), plus a spread of 2.30%. Rate adjusts monthly. Seltzer has added an estimated 25 basis points (.25%) issuer fee and 4 basis point (.004%) fiscal agent fee. Based on current rates SMG estimates the “all-in” interest rate at 5.144%. The term of the loan allows up to a 24 month construction period with one 6-month extension allowed. The optional construction phase extension is not subject to extension fees. Fees include a commitment fee of 1.0% and a $25,000 application fee.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction are a SAIL loan of $4,100,000, ELI loan of $410,400, City of Clearwater Grants of $275,000, Housing Credit equity of $1,251,962, and deferred Developer Fees in the amount of $745,636. See the Permanent Financing section below for details.

Construction/Stabilization Period:

A November 13, 2017, executed AIA Document A102-2007 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price reflects Vaughn Bay Construction Inc. (“VBC”) achieving substantial completion of the development’s renovations no later than twelve (12) months from the date of commencement defined as April 1, 2018. In Meridian’s rental market analysis, the absorption performance of comparable/competitive apartment rentals was analyzed. The analysis indicated an average of 5 to 41 units per month with a mean of 22 units per month (including pre-leasing efforts). Based on this data, Meridian determined an absorption rate of 25 per units per month. With pre-leasing efforts Meridian estimates the subject will achieve stabilized occupancy one (1) month after construction completion. To be conservative, SMG has utilized a 15-month construction/stabilization period for purposes of this credit underwriting report.
Permanent Financing Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Lender</th>
<th>Applicant</th>
<th>Revised Applicant</th>
<th>Underwriter</th>
<th>Interest Rate</th>
<th>Amort. Yrs</th>
<th>Term Yrs</th>
<th>Annual Debt</th>
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<tbody>
<tr>
<td>First Mortgage</td>
<td>Citibank</td>
<td>$2,800,000</td>
<td>$3,600,000</td>
<td>$3,115,018</td>
<td>5.874%</td>
<td>35</td>
<td>30</td>
<td>$209,985</td>
</tr>
<tr>
<td>Second Mortgage - SAIL</td>
<td>FHFC</td>
<td>$4,100,000</td>
<td>$4,100,000</td>
<td>$4,100,000</td>
<td>1.00%</td>
<td>N/A</td>
<td>30</td>
<td>$41,000</td>
</tr>
<tr>
<td>Third - ELI</td>
<td>FHFC</td>
<td>$410,400</td>
<td>$410,400</td>
<td>$410,400</td>
<td>0.00%</td>
<td>N/A</td>
<td>30</td>
<td>$0</td>
</tr>
<tr>
<td>Fourth - Grant</td>
<td>City of Clearwater</td>
<td>$75,000</td>
<td>$250,000</td>
<td>$275,000</td>
<td>0.00%</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>HC Equity</td>
<td>RITCF</td>
<td>$5,669,433</td>
<td>$5,396,876</td>
<td>$5,396,876</td>
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<td></td>
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<tr>
<td>Def. Developer Fee</td>
<td>Southport</td>
<td>$1,489,498</td>
<td>$1,002,366</td>
<td>$1,685,704</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$14,544,331</td>
<td>$14,759,642</td>
<td>$14,982,998</td>
<td></td>
<td></td>
<td></td>
<td>$250,985</td>
</tr>
</tbody>
</table>

Proposed First Mortgage Loan:

As stated earlier, Citi will arrange a tax exempt construction/permanent loan to the HFAPC in an amount up to $8,200,000, such that the HFAPC can provide the Applicant a tax exempt funding loan for construction financing in a like amount. Upon completion of construction and conversion to the permanent phase (in accordance with Citi’s underwriting requirements), the MMRN tax-exempt loan will be reduced to a maximum amount of $3,600,000. Based on the estimated interest rate and minimum FHFC debt service ratio requirements of the SAIL and all superior mortgages; SMG has reduced the permanent first mortgage amount to $3,115,018 to meet the minimum debt service ratio requirement of 1.00 for the SAIL and all superior mortgages.

Loan interest is based on the 18-year LIBOR swap index, plus a spread of 2.40%. Seltzer has added an estimated 25 basis point (.25%) issuer fee, 4 basis point (.004%) fiscal agent fee and a 25 basis point (.25%) underwriting cushion. Based on current rates SMG estimates the “all-in” interest rate at 5.874%. The rate will be committed at the time of closing of the Construction Phase financing. The term of the loan is 30 years based on a 35 year amortization schedule. At the end of the 15th year following the closing date, Citi, in its sole discretion, will require repayment of the loan in full (upon not less than six (6) months prior written notice).

Conversion requirements include completion of construction and 90% physical occupancy of the development for three consecutive calendar months, a minimum 1.15 to 1.00 debt service coverage, and 90% of market value, based on restricted rents and inclusive of value of permanent below market financing (if applicable), assuming development rents on 80% or more of the units are discounted to a level at least 10% below market; otherwise, 85%.

SAIL

Borrower applied to FHFC under RFA 2016-109 for SAIL funds in the amount of $4,100,000. The SAIL will be co-terminus with the first mortgage loan, as permitted by the Rule, for a term of 30 years following a construction/stabilization period of up to 24 months with one 6-month extension allowed for a total term of 32.5 years. The SAIL will be non-amortizing and will bear 1.00% simple interest per annum over the life of the loan. Annual payments of all applicable fees will be required. The Applicant shall not be obligated to pay more than 75% of development surplus cash flow on an annual basis as required by Citibank. Applicable fees at the rate of 0.31% ($10,998) consist of a Permanent Loan Servicing Fee equal to 0.24% ($10,080) based on the principal amount of the SAIL plus an annual Multiple Program Compliance Monitoring Fee equal to $918. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due.
ELI Loan

Applicants who submitted an Application for RFA 2016-109 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) $600,000; or (b) the maximum amount based on the ELI set-aside per unit limits; for 10% of the total units. The amount of the ELI Loan is $410,400. The ELI Loan will be co-terminus with the first mortgage loan, as permitted by the Rule, for a term of 30 years, following a construction stabilization period of up to 24 months with one 6-month extension allowed for a total term of 32.5 years. The ELI loan is non-amortizing at 0.00% simple interest per annum over the life of the loan, with principal forgivable at maturity provided the ELI units are targeted to ELI households for the duration of the first fifteen years of the 50 year Compliance Period. Annual payments of all applicable fees will be required. Applicable fees at the rate of 0.82% ($3,450) consist of a Permanent Loan Servicing Fee equal to 0.61% ($2,532) based on the principal amount of the ELI plus an annual Multiple Program Compliance Monitoring Fee equal to 0.22% ($918).

City of Clearwater Grant

The Applicant has provided documentation from the City of Clearwater supporting a General Fund Reserve Grant in the amount of $75,000 and a Community Development Block Grant (“CDBG”) in the amount of $200,000. No terms and conditions have been placed on the General Reserve Grant. The CDBG funds require that at least 50% of the funds be requested prior to April 1, 2018.

Housing Credits Equity Investment:

The Borrower has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt financing. An HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon an October 31, 2017 letter of intent, Raymond James Tax Credit Fund, Inc. (“RJTCF”) or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

<table>
<thead>
<tr>
<th>Capital Contributions</th>
<th>Amount</th>
<th>Percent of Total</th>
<th>When Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Installment</td>
<td>$1,079,375</td>
<td>20.00%</td>
<td>Closing</td>
</tr>
<tr>
<td>2nd Installment</td>
<td>$172,587</td>
<td>3.20%</td>
<td>Later of 99% completion or January 1, 2019</td>
</tr>
<tr>
<td>3rd Installment</td>
<td>$350,000</td>
<td>6.49%</td>
<td>Later of construction completion or January 1, 2019</td>
</tr>
<tr>
<td>4th Installment</td>
<td>$3,150,000</td>
<td>58.37%</td>
<td>After April 1, 2019 or bond redemption</td>
</tr>
<tr>
<td>5th Installment</td>
<td>$644,914</td>
<td>11.95%</td>
<td>Later of stabilized operations or July 1, 2019</td>
</tr>
<tr>
<td>Total</td>
<td>$5,396,876</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

It should be noted that up to $200,000 of the 5th installment may be held back and paid when all required tax filing information and Forms 8609 are received.

Annual Tax Credits per Syndication Agreement: $568,092
Total HC Available to Syndicator (10 years): $5,680,352
Syndication Percentage (limited partner interest): 99.99%
Calculated HC Exchange Rate (per dollar): $0.950
Proceeds Available During Construction: $1,251,962

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan and grant proceeds and capital contributions payable under the RJTCF LOI have been received, the Developer will have to defer $1,685,704 or 74.74% of Developer Fees.
# Uses of Funds

<table>
<thead>
<tr>
<th>CONSTRUCTION COSTS:</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
<th>HC Ineligible Costs - CUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessory Buildings</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demolition</td>
<td></td>
<td>$34,835</td>
<td>$435</td>
<td>$34,835</td>
<td></td>
</tr>
<tr>
<td>Installation of Pre Fab Units</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Rental Units</td>
<td>$6,900,000</td>
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Notes to the Construction Costs:

1. The Applicant has provided an executed AIA Document A102-2007 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated November 13, 2017. The contract is in the amount of $9,408,450 and calls for achievement of substantial completion no later than May 31, 2019; twelve months from the date of commencement defined as April 1, 2018. Ten (10%) percent retainage will be withheld on all work performed up to fifty (50%) percent completion and no retainage thereafter. Final payment will be made when the contract has been fully performed, the General Contractor (“GC”) has submitted final accounting for the Cost of the Work and a final Certificate for Payment has been issued by the Architect. The Owner’s final payment to the Contractor shall be made no later than 30 days after the Architect’s final Certificate for Payment.
2. SMG received the General Contractor’s Certification of Requirements indicating an understanding of GC conditions per Rule 67-21 and 67-48, F.A.C.

3. General Contractor fees as stated are within the 14% maximum per the Rule. General liability insurance will be covered by the General Contractor under General Conditions. Cost of the payment and performance bond ($82,500) will be paid by the Developer.

4. The hard cost contingency is 5.00% of the construction contract amount and is within the limits of the Rule. The hard cost contingency is reflected on the schedule of values; however, it is not included in the contract amount and no GC fee is calculated on the amount.

5. SMG engaged and received a Plan and Cost Analysis (“PCA”) from On Solid Ground, LLC (“OSG”). Complete results are set forth in Section C of this credit underwriting report.
## GENERAL DEVELOPMENT COSTS:

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<tr>
<th>Description</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
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### Notes to the General Development Costs:


2. Engineering Fees are based on the Agreement for Professional Services by and between the owner and Florida Design Consultants, Inc. dated February 3, 2017.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee for SAIL, ELI and 4% HC. FHFC Credit Underwriting Fees are based on 2017 contractual amounts. FHFC Compliance Fees are the future compliance fees to be paid at bond redemption. It is based on the latest date the Compliance Fee Model would extend (December 31, 2018).

4. The Applicant submitted a letter from Florida Design Consultants dated February 7, 2017 estimating City of Clearwater impact fees for the subject development. The City levies impact fees for Potable Water, Sanitary Sewer, Recreation and Open Space, and Transportation (based on Pinellas County ordinance).

5. Soft cost contingency is within the 5% as allowed per Rule.

6. Other General Development Costs are based on the Borrower’s estimates, which appear reasonable.
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<th>FINANCIAL COSTS:</th>
<th>Applicant Costs</th>
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</tr>
<tr>
<td>FHA Exam Fee</td>
<td></td>
<td></td>
<td>$0</td>
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</tr>
<tr>
<td>NHBP Commitment Fee</td>
<td></td>
<td></td>
<td>$0</td>
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<tr>
<td>Other: Syndicator Legal</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$313</td>
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<td>Other: Conversion Fee</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$250</td>
<td>$20,000</td>
</tr>
<tr>
<td>Other: SAIL-ELI Extension Fee</td>
<td>$45,104</td>
<td>$45,104</td>
<td>$45,104</td>
<td>$564</td>
<td>$45,104</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td>$0</td>
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<td></td>
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<tr>
<td>Total Financial Costs:</td>
<td>$745,104</td>
<td>$840,208</td>
<td>$1,008,940</td>
<td>$12,612</td>
<td>$636,902</td>
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<tr>
<td>Dev. Costs before Acq., Dev. Fee &amp; Reserves</td>
<td>$11,544,331</td>
<td>$12,354,002</td>
<td>$12,577,358</td>
<td>$157,217</td>
<td>$1,006,789</td>
</tr>
</tbody>
</table>
**Notes to the Financial Costs:**

1. Construction Loan Application Fee is per the Citi commitment letter.
2. Construction Loan Origination Fee is based on 1% of the construction loan per the Citi commitment letter.
3. Construction loan Interest is based on SMG’s estimate based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimate assumes an “all-in” interest rate of 5.874%, a construction/stabilization period of 15 months, and 57% of the MMRN outstanding (on average).
4. SAIL Commitment Fee is equal to 1% of the SAIL loan amount per RFA 2016-109.
5. SAIL-ELI Commitment Fee is equal to 1% of the ELI loan amount per RFA 2016-109.
6. Local HFA Bond Cost of Issuance includes fees and expenses of the Issuer, Real Estate Counsel, Bond Counsel, Disclosure Counsel and other fees.
7. SAIL and ELI Extension Fee is equal to 1% of each loan amount per Rule 67-48.0072, F.A.C.
8. The SAIL Closing Costs and the ELI Closing Costs consist of FHFC’s legal counsel closing fees.

<table>
<thead>
<tr>
<th>NON-LAND ACQUISITION COSTS</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
<th>HC Ineligible Costs - CUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokerage Fees - Building</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Building Acquisition Cost</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Developer Fee on Non-Land Acq. Costs</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
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<tr>
<td>Other:</td>
<td>$0</td>
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<td>$0</td>
<td></td>
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<tr>
<td>Other:</td>
<td>$0</td>
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<td>Total Non-Land Acquisition Costs:</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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</table>

**Notes to the Non-Land Acquisition Costs: None.**

<table>
<thead>
<tr>
<th>DEVELOPER FEE ON NON-ACQUISITION COSTS</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
<th>HC Ineligible Costs - CUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Fee - Unapportioned</td>
<td>$2,000,000</td>
<td>$2,190,539</td>
<td>$2,190,539</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>DF to fund Operating Debt Reserve</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>DF to Brokerage Fees - Land</td>
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<td></td>
<td></td>
<td>$0</td>
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<tr>
<td>DF to Excess Land Costs</td>
<td>$0</td>
<td></td>
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<td>$0</td>
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<tr>
<td>DF to Excess Bldg Acquisition Costs</td>
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<td></td>
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<tr>
<td>DF to Consultant Fees</td>
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<td>$35,000</td>
<td>$35,000</td>
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<tr>
<td>DF to Guaranty Fees</td>
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<td>$0</td>
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</tr>
<tr>
<td>Other:</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
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<tr>
<td>Total Other Development Costs:</td>
<td>$2,000,000</td>
<td>$2,225,539</td>
<td>$2,225,539</td>
<td>$27,819</td>
<td>$0</td>
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</table>

**Notes to the Other Development Costs:**

1. Developer Fee is within 18% of the Development’s construction cost, exclusive of land acquisition costs and reserves, as required per Rule.
LAND ACQUISITION COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
<th>HC Ineligible Costs - CUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokerage Fees - Land</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Land Acquisition Cost</td>
<td>$1,000,000</td>
<td>$10,101</td>
<td>$10,101</td>
<td>$126</td>
<td>$10,101</td>
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<tr>
<td>Land Carrying Costs</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Other:</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Acquisition Costs:</td>
<td>$1,000,000</td>
<td>$10,101</td>
<td>$10,101</td>
<td>$126</td>
<td>$10,101</td>
</tr>
</tbody>
</table>

Notes to the Land Acquisition Costs:

1. The Applicant provided an executed Purchase & Sale Contract by and between Woodlawn Church of God Board of Trustees (‘Seller”) and Southport Financial Real Estate, LLC (“Purchaser”) for an agreed upon purchase price of $1,000,000. Per the Applicant, it is now expected that Pinellas County will purchase the land directly from the Seller, at which time the Applicant will enter into a 99-year with HFAPC. The land will remain in the ownership of Pinellas County as the beneficial owner and the Housing Finance Authority acting as Trustee of the Property.

The Applicant submitted a “Woodlawn Trail Land Assembly Commitment” indicating funds not to exceed $1,000,000 are available to purchase the land from the current owner. The letter also indicates that the land lease will be for a term of 99-years. Additional terms and conditions will be detailed in the security instruments executed as part of the financing agreement. Terms and conditions are expected to be consistent with a similarly negotiated ground lease for Garden Trail Apartments (underwritten by SMG October 2015) which identified a yearly ground lease payment of $10,101 for the first seven years of the lease, escalating in years eight (8) and thirteen (13), and every five years thereafter. Per the Executive Director of HFAPC, the Ground Lease for the subject development will not be available until post credit underwriting completion, as a result, SMG does not reflect increases in years eight an thirteen in the 15-year proforma attached to this Report. The November 2017 appraisal received from Meridian Appraisal Group, Inc. indicated a Ground Leasehold Value of the subject property, consistent with the terms of Garden Trail ground lease, of $810,000.
### Reserve Accounts

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
<th>HC Ineligible Costs - CUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACC Reserve (Lender)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>ACC Reserve (Syndicator)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Operating Deficit Reserve (FHFC)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Operating Deficit Reserve (Lender)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Operating Deficit Reserve (Syndicator)</td>
<td>$170,000</td>
<td>$170,000</td>
<td>$2,125</td>
<td>$170,000</td>
<td></td>
</tr>
<tr>
<td>Debt Service Coverage Reserve (FHFC)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Debt Service Coverage Reserve (Lender)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Debt Service Coverage Reserve (Syndicator)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Replacement Reserves (FHFC)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Replacement Reserves (Lender)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Replacement Reserves (Syndicator)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Reserves - Start-Up/Lease-up Expenses</td>
<td>$2,900,000</td>
<td>$0</td>
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<td>$0</td>
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<tr>
<td>Reserves - Working Capital</td>
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<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
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<tr>
<td>Other: Series B Paydown</td>
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<tr>
<td>Other:</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
</tr>
<tr>
<td>Other:</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
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<tr>
<td><strong>Total Reserve Accounts</strong></td>
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<td>$3,070,000</td>
<td>$170,000</td>
<td>$2,125</td>
<td>$170,000</td>
</tr>
</tbody>
</table>

**Notes to Reserve Accounts:**

1. Operating Deficit Reserve (Syndicator). Per the RJTCF LOI, the reserve will be funded at the time of the Stabilization Capital Contribution. The reserve shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow). Funds shall be used exclusively for operating deficit incurred by the Partnership; draws in excess of $25,000 require the consent of RJTCF. Once the general partners have fully funded their obligations under the Operating Deficit Guaranty and should the reserve drop below $170,000, net cash flow on each payment date will be deposited in the reserve account to maintain the $170,000 minimum balance.

The release of the ODR at the end of the compliance period and distributed as Net Cash Flow does not conform to FHFC ODR release criteria. Prior to loan closing the release criteria of the ODR as stated in the Limited Partnership Agreement will be required to conform to FHFC requirements as found on Page B-2 item #15 of this Report.

### Total Development Costs

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Applicant Costs</th>
<th>Revised Applicant Costs</th>
<th>Underwriters Total Costs - CUR</th>
<th>Cost Per Unit</th>
<th>HC Ineligible Costs - CUR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Development Costs</strong></td>
<td>$14,544,331</td>
<td>$17,659,642</td>
<td>$14,982,998</td>
<td>$187,287</td>
<td>$1,186,890</td>
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</tbody>
</table>

**Notes to the Total Development Costs:**

1. Per RFA 2016-109, Total Development Cost (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Garden Style-Wood (new construction), which has a maximum allowable per unit cost of $188,300. Per an analysis of the approved Development costs, identified in this report, the costs presented do not exceed the maximum allowable TDC per the RFA.
## Operating Pro Forma

### OPERATING PRO FORMA

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Potential Rental Income</td>
<td>$711,696</td>
<td>$8,896</td>
</tr>
<tr>
<td>Rent Subsidy (ODR)</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Other Income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ancillary Income-Parking</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$19,200</td>
<td>$240</td>
</tr>
<tr>
<td>Washer/Dryer Rentals</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Cable/Satellite Income</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Rent Concessions</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Alarm Income</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Gross Potential Income</td>
<td>$730,896</td>
<td>$9,136</td>
</tr>
<tr>
<td>Economic Loss - Percentage:</td>
<td>$0</td>
<td></td>
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<tr>
<td>Physical Vacancy Loss - Percentage:</td>
<td>4.0% (($29,236)</td>
<td>($365)</td>
</tr>
<tr>
<td>Collection Loss - Percentage:</td>
<td>1.0% ($7,309)</td>
<td>($91)</td>
</tr>
<tr>
<td><strong>Total Effective Gross Revenue</strong></td>
<td>$694,351</td>
<td>$8,679</td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Lease</td>
<td>$10,101</td>
<td>$126</td>
</tr>
<tr>
<td>Sub-Ground Lease</td>
<td>$0</td>
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</tr>
<tr>
<td>Real Estate Taxes</td>
<td>$73,648</td>
<td>$921</td>
</tr>
<tr>
<td>Insurance</td>
<td>$40,000</td>
<td>$500</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
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<tr>
<td>Management Fee - Percentage:</td>
<td>5.0% ($34,718)</td>
<td>$434</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>$20,000</td>
<td>$250</td>
</tr>
<tr>
<td>Payroll Expenses</td>
<td>$96,000</td>
<td>$1,200</td>
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<tr>
<td>Utilities</td>
<td>$68,000</td>
<td>$850</td>
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<tr>
<td>Marketing and Advertising</td>
<td>$8,000</td>
<td>$100</td>
</tr>
<tr>
<td>Maintenance and Repairs</td>
<td>$28,000</td>
<td>$350</td>
</tr>
<tr>
<td>Grounds Maintenance and Landscaping</td>
<td>$20,000</td>
<td>$250</td>
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<td>Resident Programs</td>
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<td>Contract Services</td>
<td>$8,000</td>
<td>$100</td>
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<tr>
<td>Security</td>
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<td></td>
</tr>
<tr>
<td>Other-Pest Control</td>
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<tr>
<td>Reserve for Replacements</td>
<td>$24,000</td>
<td>$300</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$430,467</td>
<td>$5,381</td>
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### Net Operating Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>$263,885</td>
<td>$3,299</td>
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</table>

### Debt Service Payments

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage -</td>
<td>$209,985</td>
<td>$2,625</td>
</tr>
<tr>
<td>Second Mortgage -</td>
<td>$41,000</td>
<td>$513</td>
</tr>
<tr>
<td>Third Mortgage -</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Fourth Mortgage -</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Fifth Mortgage -</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>All Other Mortgages -</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>First Mortgage Fees -</td>
<td>$0</td>
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</tr>
<tr>
<td>Second Mortgage Fees -</td>
<td>$10,998</td>
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<tr>
<td>Third Mortgage Fees -</td>
<td>$3,450</td>
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<td>Fourth Mortgage Fees -</td>
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<tr>
<td>Fifth Mortgage Fees -</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>All Other Mortgages Fees -</td>
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</tr>
<tr>
<td><strong>Total Debt Service Payments</strong></td>
<td>$265,433</td>
<td>$3,318</td>
</tr>
</tbody>
</table>

### Cash Flow After Debt Service

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow After Debt Service</strong></td>
<td>($1,548)</td>
<td>($19)</td>
</tr>
</tbody>
</table>
Notes to the Operating Pro forma and Ratios:

1. The Debt Service Coverage Ratio (“DSCR”) for the first and second loans reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48.0072 (11), if the Applicant defers at least 35 percent of its Developer Fee for at least six (6) months following construction completion, the minimum debt service coverage shall be 1.00 for the SAIL, including all superior mortgages. This Development meets the preceding guidelines.

2. The MMRB and SAIL programs do not impose any rent restrictions. However, this Development will be utilizing Housing Credits in conjunction with the 4% HC financing, which will impose rent restrictions. Woodlawn Trail is projected to achieve 2017 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser’s estimate of achievable rents per comparable properties surveyed. The Applicant engaged Matern Professional Engineering, Inc. of Maitland, FL to prepare a UA Energy Consumption Model Estimate. This model was approved by Florida Housing November 2, 2017. The model reflects the residents paying for electricity and the Applicant paying for water, sewer, pest control, and trash pick-up. No manager/employee units are anticipated at this time.

A rent roll for the Development is illustrated in the following table:

<table>
<thead>
<tr>
<th>Bed</th>
<th>Bath</th>
<th>Rooms</th>
<th>Units</th>
<th>Square Feet</th>
<th>AMI%</th>
<th>Low HOME Rents</th>
<th>High HOME Rents</th>
<th>Gross HC Rent</th>
<th>Utility Allow.</th>
<th>Net Restricted Rents</th>
<th>PIBA Contr Rents</th>
<th>Applicant Rents</th>
<th>Appraiser Rents</th>
<th>CLU Rents</th>
<th>Annual Rental Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2.0</td>
<td>6</td>
<td>1,064</td>
<td>40%</td>
<td>$539</td>
<td>$75</td>
<td>$464</td>
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<td>$464</td>
<td>$33,408</td>
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<tr>
<td>2</td>
<td>2.0</td>
<td>10</td>
<td>1,064</td>
<td>60%</td>
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<td>$733</td>
<td>$733</td>
<td>$733</td>
<td>$733</td>
<td>$733</td>
<td>$733</td>
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<td>$733</td>
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<td>$854</td>
<td>$225,456</td>
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3. Miscellaneous income includes pet fees, application fees, damages, late fees, and central laundry.

4. The appraiser estimates a stabilized physical vacancy rate of 4% and collection loss of 1% for an economic occupancy of 95% and a physical occupancy rate of 96%.

5. Real estate tax expense is based on the Appraiser’s estimate.

6. Insurance expense is based on the Appraiser’s estimate and is within the historical and comparable range.
7. Applicant provided SMG with an executed Property Management Agreement with Cambridge as the on-site Property Manager and Leasing Agent for Woodlawn Trail. The agreement is for an initial one-year period automatically renewed for periods of one month, unless terminated in writing by either party. The Management Agent will receive payment for its services equal to five percent (5%) of the gross rental income actually collected during the prior month payable on the 10th day of the succeeding month. The Agent will also be paid monthly the actual cost of bookkeeping and/or accounting services.

8. Other operating expense estimates are based on comparable properties and are supported by the appraisal.

9. Replacement Reserves in the amount of $300 per unit per year meet RFA and Rule requirements.

10. A 15-year income and expense projection reflects increasing debt service coverage (“DSC”) through year fifteen. This projection is attached to this report as Exhibit 1.
Section B

Loan Conditions

HC Allocation Recommendation and Contingencies
Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.

3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

4. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.

5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL and ELI Loan Proceeds shall be disbursed pro rata with other funding sources during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.

6. The Developer is only allowed to draw a maximum of 50% of the total Developer Fee during construction, but in no case more than the payable developer fee, which is determined to be “developer’s overhead”. No more than 35% of “Developer’s overhead” during construction will be allowed to be disbursed at closing. The remainder of the “Developer’s overhead” will be disbursed during construction on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by FHFC and Servicer. The remaining unpaid Developer Dee shall be considered attributable to “Developer’s profit” and may not be funded until the Development has achieved 100% lien free completion, and retainage has been released.
7. Evidence of general liability, flood (if applicable), builder’s risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, with coverages, deductibles and amounts satisfactory to Florida Housing and, as applicable, the FHFC Insurance Guide.

8. 100% Payment and Performance (“P&P”) Bonds or a Letter of Credit (“LOC”) in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the general contractor and the Borrower. In either case, Florida Housing must be listed as co-obligee. The P&P bonds must be from a company rated at least “A-“ by A.M. Best & Co. with a financial size category of at least FSC VI. Florida Housing and/or legal counsel must approve the source, amount(s) and all terms of the P&P bonds or LOC. If the LOC option is utilized, the LOC must contain “evergreen” language and be in a form satisfactory to the Servicer, Florida Housing, and its Legal Counsel.

9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act (“ADA”), and Federal Fair Housing Act requirements, as applicable.

10. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

11. Satisfactory resolution of any outstanding past due and/or noncompliance issues.

12. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) and 67-48.0075 (S) F.A.C., of an Applicant or a Developer).

13. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing’s judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.

14. Final “as permitted” (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.

15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to
the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its legal counsel at least two weeks prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.

3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.

4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the SAIL and ELI naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.

5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.

6. Evidence of insurance coverage, as applicable, per the FHFC Insurance Guide.

7. Receipt of a legal opinion from the Borrower’s legal counsel acceptable to Florida Housing addressing the following matters:
   a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
   b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
   c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
   d. The Borrower’s and the guarantor’s execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages,
security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower’s Partnership/Operating Agreement and;

e. Such other matters as Florida Housing or its legal counsel may require.

8. Evidence of compliance with local concurrency laws, as applicable.

9. UCC Searches for the Borrower, its partnerships, as requested by legal counsel.

10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida Housing and its legal counsel, in connection with the loan(s).

11. Any other reasonable conditions established by Florida Housing and its legal counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5087 and 420.509, Florida Statutes, Rule Chapter 67-21, F. A. C., Sections 420.507(22) and 420.5087, Florida Statutes, Rule Chapters 67-48, 67-53, and 67-60, F.A.C., Section 42 I.R.C., and any other State and Federal requirements.

2. Development and execution by the Borrower of the required Memorandum of Understanding (“MOU”) with a designated supportive services lead agency to assist Persons with a Disabling Condition, as outlined in Exhibit D, 11.B of the RFA due to Florida Housing within nine (9) months from the date of the invitation to enter credit underwriting which was December 31, 2017, but no later than the date the first building was placed in service.

3. Acceptance by the Borrower and execution of all documents evidencing and securing SAIL and ELI form and substance satisfactory to Florida Housing and its legal counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).

4. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

5. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.

6. Guarantors for the SAIL Loan are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent First Mortgage and SAIL, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant (“CPA”). The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.

7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.

8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender’s policy naming Florida Housing as the insured first, second and third mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.

10. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing’s loan servicing agent, the release of funds shall be at Florida Housing’s sole discretion.

11. Replacement Reserves in the minimum amount of $300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing’s loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of $24,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment (“CNA”) to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

FHFC requirements are applicable for the SAIL and ELI mortgages. Per the RJTCF Equity proposal, replacement reserves will be $300 per unit per year beginning at the earlier of six months after completion of construction or the first month of stabilized operations, increasing by 3% per year. In the aggregate. No more than $10,000 will be withdrawn from Replacement Reserves in any calendar year without the approval of the RJTCF.

12. OSG, or other construction inspector acceptable for Florida Housing, is to act as Florida Housing’s inspector during the construction period.

13. Under the Woodlawn Trail Apartments construction contract, a minimum of 10% retainage holdback on all construction draws is required until the Development is 50% complete, at which time no additional retainage will be withheld. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies Florida Housing’s minimum requirement.

14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.

15. Closing of all funding sources prior to or simultaneous with the closing of the SAIL and ELI loans.
16. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127 and 129.

17. Any other reasonable requirements of the Servicer, Florida Housing or its legal counsel.
Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of $607,708. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. All items listed under the Special Conditions section of the Loan Conditions to Close.
2. Purchase of the HC by the Syndicator or its assigns under the terms consistent with assumptions of this report.
3. Closing of all funding sources prior to or simultaneous with the closing of the SAIL and ELI loans.
4. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127 and 129.
5. OSG is to act as construction phase inspector for Florida Housing.
6. Satisfactory resolution of any outstanding past due items and/or noncompliance issues.
7. Any reasonable requirements of Florida Housing, SMG or its legal counsel.
## Exhibit 1
### Woodlawn Trail
#### 15 Year Income and Expense Projection

### Financial Costs:

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<th>Year</th>
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### Expenses

#### Total Effective Gross Revenue

$694,351

#### Operating Income

$280,874

#### Operating Expense

$413,477

#### Operating Expense: Financial Ratios

**DSC**

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#### Cash Flow After Debt Service

$418,945

#### Debt Service Coverage Ratios

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<th>Type</th>
<th>1st Mortgage plus fees</th>
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#### Financial Ratios

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<tbody>
<tr>
<td>Operating Expense Ratio</td>
<td>62.0%</td>
</tr>
<tr>
<td>Break Even Ratio</td>
<td>95.5%</td>
</tr>
</tbody>
</table>
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

80 Garden Apartments located in 5 residential buildings.

Unit Mix:

56 two bedroom/two bath units; and

24 three bedroom/two bath units.

80 Total Units

B. The Development must meet all requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act as implemented by 24 CFR 100, the 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act (“ADA”) of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations, and rules, as applicable.

C. The Development must provide the following General Features:

1. Termite prevention;
2. Pest control;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development’s residents from a primary provider of cable or satellite TV;
5. Full-size range and oven in all units;
6. At least two full bathrooms in all 3 bedroom or larger new construction units;
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units; and
8. Washer and dryer hook ups in each of the Development’s units or an on-site laundry facility for resident use. If the proposed Development consists of an on-site laundry facility, there must be a minimum of one (1) Energy Star qualified washer and one (1) dryer per every 15 units. To determine the required number of washers and dryers for
the on-site laundry facility; divide the total number of the Developments’ units by 15, and then round the equation’s total up to the nearest whole number.

D. The Development must provide the following Accessibility, Universal Design and Visitability Features:

All units must meet accessibility of standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit must be accessible for persons with hearing or vision impairments.

All new construction units that are located on an accessible route must have the features below:

1. Primary entrance door shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets;
4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

E. Provide reinforced walls for future installation of grab bars that meet or exceed 2010 ADA Standards for Accessible Design around each tub/shower unit in each dwelling unit. At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household’s request and at no charge to the household, will install grab bars around a dwelling unit’s tub/shower unit, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development’s written materials listing and describing the unit’s features, as well as including the language in each household’s lease.
F. Green Building Features required in all Family and Elderly Demographic Developments:

a. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);

b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
   i. Faucets: 1.5 gallons/minute or less, and
   ii. Showerheads: 2.0 gallons/minute or less;

c. Energy Star qualified refrigerator;

d. Energy Star qualified dishwasher;

e. Energy Star qualified ventilation fan in all bathrooms;

f. Water heaters:
   • Residential Electric:
     i. Up to 55 gallons = .95EF
     ii. More than 55 gallons = Energy Star qualified
     iii. Tankless = .97 EF
   • Residential Gas (storage or tank less/instantaneous): Energy Star qualified
   • Commercial Gas Water Heater: Energy Star qualified

g. Energy Star qualified ceiling fans with lighting fixtures in bedrooms; and

h. Air Conditioning minimum efficiency specifications (choose in-unit or commercial)*:
   i. In-unit air conditioning: Minimum 15 SEER
   ii. Packaged units are allowed in Zero bedroom units and one-bedroom units: Minimum 13.8 EER; or
   iii. Central chiller AC system – based on size:
     a. 0-65 KBtuhs: Energy Star certified; or
     b. 65-135 KBtuhs: 11.9 EER; or
     c. 135-240 KBtuhs: 12.3 EER; or
     d. 240 KBtuhs: 12.2 EER

*Applicants who select higher efficiency HVAC as Green Building Features at question 9.a. of Exhibit A of the RFA must meet or exceed those standards, which exceed these minimum requirements.

F. The Applicant has committed to provide the following additional Green Building Features to achieve a total point value of at least 10 points:
1. _X_ Programmable thermostat in each unit (2 points)

2. ____ Humidistat in each unit (2 points)

3. ____ Water Sense certified dual flush toilets in all bathrooms (2 points)

4. ____ Light colored concrete pavement instead of or on top of asphalt to reduce the heat-island effect (2 points)

5. ____ Energy star qualified roof coating (2 points) *

6. _X_ Energy star qualified roofing materials (metal, shingles, thermoplastic polyolefin (TPO), or tiles) (3 points) *

7. ____ Eco-friendly cabinets – formaldehyde free and material must be certified by the Forest Stewardship Council or a certification program endorsed by the Programme for the Endorsement of Forest Certification (3 points)

8. ____ Eco-friendly flooring for entire unit – Carpet and Rug Institute Green Label certified carpet and pad, bamboo, cork, 80% recycled content tile, and/or natural linoleum (3 points)

9. ____ High Efficiency HVAC with SEER of at least 16 (2 points) **

10. _X_ Energy efficient windows in each unit (3 points)
    - For all Development Types except Mid-Rise and High-Rise: Energy Star rating for all windows in each unit;
    - For Development Type of Mid-Rise and High-Rise:
      - U-Factor of 0.50 or less and a SHHG of 0.25 or less where the fenestration is fixed; and
      - U-Factor of 0.65 or less and a SHHG of 0.25 or less where the fenestration is operable (i.e., the window opens)

11. ____ Florida Yards and Neighborhoods certification on all landscaping (2 points)

12. _X_ Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings (2 points)

    * Applicant may choose only one option related to Energy Star qualified roofing.

    ** Applicants who choose high efficiency HVAC’s must meet the standards listed here, which exceed the minimum Green Building Features required of all Developments in Exhibit C of the RFA.

G. The Applicant must provide the following Resident Programs:
1. After School Program for Children – This program requires the Applicant or its Management Company to provide supervised, structured, age-appropriate activities for children during after school hours, Monday through Friday. Activities must be on-site.

2. Literacy Training – The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

3. Employment Assistance Program – The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must include, but not be limited to, the following:

   - Evaluation of current job skills;
   - Assistance in setting job goals;
   - Assistance in development of and regular review/update of individualized plan for each participating resident;
   - Resume assistance;
   - Interview preparation; and
   - Placement and follow-up services.
COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Woodlawn Trail
DATE: February 28, 2018

In accordance with applicable Program Rule(s), the Borrower is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation (“Florida Housing” or “FHFC”). The following items must be satisfactorily addressed. “Satisfactorily” means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the “Issues and Concerns” section of the Executive Summary.

<table>
<thead>
<tr>
<th>CREDIT UNDERWRITING REQUIRED ITEMS</th>
<th>STATUS</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Development’s final “as submitted for permitting” plans and specifications. Note: Final “signed, sealed, and approved for construction” plans and specifications will be required thirty days before closing.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>2. Final site plan and/or status of site plan approval.</td>
<td>Satis.</td>
<td></td>
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<tr>
<td>5. Survey.</td>
<td>Satis.</td>
<td></td>
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<tr>
<td>7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.</td>
<td>Satis.</td>
<td></td>
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<tr>
<td>11. Resumes and experience of Borrower, general contractor and management</td>
<td>Satis.</td>
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<tr>
<td>12. Credit authorizations; verifications of deposits and mortgage loans.</td>
<td>Satis.</td>
<td></td>
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<tr>
<td>14. Firm commitment from the credit enhancer or private placement purchaser, if any.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>15. Firm commitment letter from the syndicator, if any.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>16. Firm commitment letter(s) for any other financing sources.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>17. Updated sources and uses of funds.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>20. Executed general construction contract with “not to exceed” costs.</td>
<td>Satis.</td>
<td></td>
</tr>
<tr>
<td>21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.</td>
<td>Satis.</td>
<td></td>
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<tr>
<td>22. Any additional items required by the credit underwriter.</td>
<td>Satis.</td>
<td></td>
</tr>
</tbody>
</table>

**NOTES AND APPLICANT’S RESPONSES:**

None.
Section I: Qualified Basis Calculation

Development Cost $14,982,998
Less Land Cost ($10,101)
Less Federal Funds $0
Less Other Ineligible Cost ($1,176,789)
Less Disproportionate Standard $0
Total Eligible Basis $13,796,108
Applicable Fraction 100.00%
DDA/QCT Basis Credit $17,934,941
Housing Credit Percentage 3.39%
Annual Housing Credit Allocation $607,994

Notes to the Qualified Basis Calculation:
1. Other Ineligible Costs primarily include FHFC administrative, application and HC compliance fees, legal fees, Market Study, permanent loan origination and commitment fees, HFAPC cost of issuance, closing costs, and required reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is located in a Qualified Census Tract. Therefore, the 130% basis credit has been applied to the Eligible Basis.
4. A Housing Credit Percentage of 3.39% is used based on a rate of 3.24% as of the March 2017 date of invitation into credit underwriting plus 15 basis points.

Section II: Gap Calculation

Total Development Cost (Including Land and Ineligible Costs) $14,982,998
Less Mortgages ($7,625,418)
Less Grants $0
Equity Gap $7,357,580
Percentage to Investment Partnership 99.99%
HC Syndication Pricing $0.9500
HC Required to Meet Gap $7,745,596
Annual HC Required $774,560

Notes to the Gap Calculation:
1. Mortgages include the First Mortgage provided by Citibank, FHFC SAIL and ELI.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the October 31, 2017 LOI from RJTCF.

<table>
<thead>
<tr>
<th>Section III: Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC per Qualified Basis</td>
</tr>
<tr>
<td>HC per Gap Calculation</td>
</tr>
<tr>
<td>Annual HC Recommended</td>
</tr>
</tbody>
</table>

Notes to the Summary:

1. The Annual HC Recommended is based on the Qualified Basis calculation.

<table>
<thead>
<tr>
<th>Section IV: Tax-Exempt Bond 50% Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Depreciable Cost</td>
</tr>
<tr>
<td>Plus Land Cost</td>
</tr>
<tr>
<td>Aggregate Basis</td>
</tr>
<tr>
<td>Tax-Exempt Bond Amount</td>
</tr>
<tr>
<td>Less Debt Service Reserve</td>
</tr>
<tr>
<td>Less Proceeds Used for Costs of Issuance</td>
</tr>
<tr>
<td>Plus Tax-exempt GIC earnings</td>
</tr>
<tr>
<td>Tax-Exempt Proceeds Used for Building and Land</td>
</tr>
<tr>
<td>Proceeds Divided by Aggregate Basis</td>
</tr>
</tbody>
</table>

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRB amount to be 59.47% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.
MEMORANDUM

TO: Kathryn Driver, Executive Director

FROM: David Jones

SUBJECT: Housing Finance Authority of Pinellas County, Florida
Single Family Housing Revenue Bonds, 2016 Series A

DATE: March 22, 2018

Background

In April, 2016, the Authority issued Single Family Housing Revenue Bonds, 2016 Series A, providing bond proceeds to finance up to $15 million in Ginnie Mae (GNMA) mortgage backed securities (MBS) backed by mortgage loans to the Authority’s first-time homebuyers. Such bonds provided that the GNMsas must be purchased by December 1, 2016 unless otherwise extended pursuant to showing sufficient cash flows to extend the origination period. In the fall of 2016, the Authority extended the deadline to purchase all GNMsas until April 1, 2018.

As a result of previous bond issues that financed MBS at interest rates higher than the Authority could retain per IRS mortgage revenue bond spread limitations, approximately $3 million of the $15 million of 2016A lendable proceeds were set-aside and not spent. Such monies are left unexpended until the Authority can issue a future single family bond transaction such that the $3 million of 2016A proceeds can participate with approximately $3 million of proceeds from a future bond issue (“zero participation loans”) for which the interest income off such loans can all belong to a future bond issue. By doing such zero participation loans, the Authority will bring 2016A into IRS yield compliance. For tax purposes, the Authority needs to issue a single family bond issue by September 1, 2019 in order to meet the timeline for fully utilizing the 2016A bond proceeds still outstanding.
**Extension of the 2016A Origination Period**

In order to extend the deadline to purchase 2016A GNMA$s until September 1, 2019, CSG Advisors has run a forecast of cash flows at different MBS prepayment speeds (“Cash Flow Certificate”) to show that under such scenarios, there are sufficient revenues to pay all future debt service on the bonds and related expenses in the issue. Under our last Cash Flow Certificate, given that we are delaying the purchase of GNMA$s for another 17 months, the bond issue needs additional support to cover the period of time when all MBS haven’t been purchased. We forecast that a deposit of $55,000 to the 2016A Capitalized Interest Account is necessary in order to pay debt service under all rating agency stress scenarios. We anticipate that such funds are likely to be unspent and available to the Authority in the future at least when the bonds are fully redeemed, or perhaps earlier if actual cash flows support. While the monies are in the account, they will be invested such that interest income will be earned in the bond issue over time.

**Recommendation**

As a result, in order to provide the Authority additional flexibility to purchase such GNMA$s in the future, we recommend that the Board:

- Approve a deposit of $55,000 into the 2016A Capitalized Interest Account.

We will be working with the Authority throughout the coming months to begin thinking about how to finance upcoming production (MBS sales, warehousing MBS for future bonds, etc.) in order to ensure the Authority has sufficient MBS to be financed with mortgage revenue bonds to meet the September 1, 2019 deadline to fully expended the 2016A bond proceeds.