

AGENDA

Palm Beach County Housing Finance Authority

FRIDAY, NOVEMBER 12, 2021
9:00 A.M.

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

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Agenda – November 12, 2021 regular meeting

Executive Director - Report on agenda items

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Meeting Agenda

November 12, 2021

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

Housing Finance Authority of Palm Beach County

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West Palm Beach, FL 33406
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Chairperson

Bobby "Tony" Smith

Vice Chair

Robin B. Henderson

Secretary

Tracy L. Caruso

Clark D. Bennett

Laurie S. Dubow

Chricht B. Mixon

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I. Call to Order

- a. Roll call and establishment of quorum

II. Public comment on Agenda Items

III. Agenda Approval

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

IV. Consent Agenda

- a. Minutes of October 8 regular meetings

V. Old Business

- a. Approval of bond issuance Resolution R-2021-16 for "Christian Manor" apartments

VI. New Business

- a. Everglades Townhomes – Oikos Development Corp. - presentation of bond application and approval of Inducement Resolution R-2021-17
- b. Indian Trace Apartments – Consent to sale – Resolution R-2021-18
- c. Approval of meeting schedule for calendar year 2022

VII. Public hearing

- a. Everglades Townhomes apartments

VIII. Other matters

- a. Matters of Authority members
- b. Matters of the Executive Director and Professionals
- c. Matters of the Public
- d. Next meeting date: 9:00 a.m., Friday, December 10, 2021
PBC Airport Center, Fourth Floor - Human Resources
Training Rm. 4-790

IX. Adjournment

To: Housing Finance Authority

From: Executive Director

RE: November 12, 2021 regular meeting

Dated: November 4, 2021

Current Palm Beach County COVID-19 policy still requires all persons entering a county building to wear a mask/facial covering. Beginning June 2021 the in-person participation capacity limit for Room 4-790 was increased and remains a maximum of 15. A notice was posted on the HFA's website that advises the public, as well as presenters and the other HFA professionals, they can request, in advance of the day of the meeting, to be invited to participate virtually or dial-in via the WebEx platform.

V. "Old Business" item:

Item (a.) Approval of Resolution No. R-2021-16 for the issuance of not to exceed \$27,000,000 Multifamily Housing Revenue Bonds, Series 2021, for "Christian Manor" apartments

In August of the HFA approved a bond issuance official action "inducement" resolution in connection with the acquisition and rehabilitation of the 200-unit "Christian Manor" seniors-only apartment project in West Palm Beach. The initial TEFRA public hearing was held and bond issuance approval by the Board of County Commissioners was given in the fall of 2020. However, since more than a year has transpired, another public hearing ("TEFRA") was required under the provisions of the Internal Revenue code for tax-exempt bonds. The second TEFRA hearing was held on September 17, 2021, and approval of the issuance of a larger par amount of bonds was given by the BCC on October 19, 2021. The HFA board approved at the October 8, 2021 meeting an issuer fee recommendation from staff to be based on the amount of the developer's 2021 allocation request of \$19.8M rather than the expected \$27M amount of bonds issued.

Project summary: The Christian Manor apartment complex consists of four (4) three-story residential buildings on 5.35 acres, with a community center/rec room/lease office and pool, located at 325 Executive Drive in the City of West Palm Beach. The project was

completed in 1972 by a local group of churches, and subsequently purchased by the PHASE Housing Corporation, the general partner of the borrower, in June 2019. The property has 56 studio apartments and 144 1-bedroom units for senior/elderly (62+) tenants. There is a ground level community room with leasing office, a separate on-site maintenance building, swimming pool and landscaped common grounds. Each of the four 3-story residential buildings (with elevators) has a laundry room on each floor. Ten (10) units will be upgraded to full ADA accessible.

The developer has applied for Tenant Protection Vouchers (“TPV”) from HUD for approximately 105 units. The TPV will allow for the expected rent increase while avoiding displacement of existing residents who might not otherwise be able to afford the higher rents. The status of the TPV request as of this date is still pending.

The Co-Developers: *SCG Development* of Tyson Corner, VA and Peabody, MA, is a privately held real estate development firm focused on affordable and workforce rental housing with a portfolio of 54 properties with over 5,000 apartment units in 12 states but predominately in the eastern seaboard states. Many of these properties have been financed with either 4% or 9% housing tax credits, as well as some with historic tax credits.

Integrity Development Partners, of Valdosta, GA, is full service real estate development firm that includes consulting, project development, and construction, asset and property management services. The twelve firm members have over 50 years of experience, and have owned and developed over 5,000 apartment units using among other sources housing tax credits, tax-exempt bonds, HOME, and CDBG funds.

The financing: The HFA’s financing for the project will be short-term “Aaa” rated bonds with a term of not exceeding 24 months. The bonds will be underwritten in a public offering by Stifel, Nicolaus & Company, one of the three firms on the HFA’s list of approved multifamily bond underwriters. The interest rate on the bonds will be established at the time of pricing in the bond market expected to be on or about the first week of December.

The construction/permanent loan financing for the project will be a FHA 221(d)(4) 40-year, taxable first mortgage loan. The other permanent funding sources include SAIL and limited partner equity contribution from the syndication of the 4% low income housing tax credits. Proceeds from this loan, together with SAIL/ELI proceeds, the construction period seller loan and tax credit equity contributions during the construction period, will be deposited into the collateral fund for the HFA’s bonds. An amount equal to each deposit may then be drawn from the proceeds fund of the bonds to pay for acquisition and construction costs.

Credit Underwriting Report: The credit underwriting report (“CUR”) from First Housing Development Corporation (“First Housing”) dated October 27, 2021 is included in the agenda materials. In the “Report Summary” First Housing is recommending a project loan amount of \$27M subject to typical pre-closing items such as firm HUD loan commitment letter, final co-developer agreement, GC contract and plan & cost review. One additional item, due to the age of the property, is receipt of an asbestos operations & maintenance plan.

The capital needs assessment and preliminary plan and cost analysis done as part of the CUR process indicates that the property is in poor condition and that the level of preventative maintenance was not appropriate. The renovation improvements totaling approximately \$82K per unit include: new walkway and entrance canopies, planting and landscaping, fire sprinkler systems, a backup generator for each of the four (4) buildings, pool renovation including new pump and fencing, resurfacing of paving, exterior building façade repairs, new roofs, energy efficient windows, elevator modernization, community room upgrades, new finishes in the lobbies and hallways, and mechanical and security system upgrades. In addition, a mold survey was recommended and will be performed at completion of the rehab.

Individual unit rehab is to include complete gutting and removal of the interiors down to bare concrete walls, ceilings and floors, therefore each unit will be all new from drywall to new kitchen and bathroom cabinets, plumbing and fixtures, lighting, flooring, painting, window blinds, doors, appliances and package terminal air conditioners (PTAC units). The project is presently about 75% occupied. That will allow one building to be completely vacated and then renovated in whole. Once completed, the next building will be emptied and renovated and so on until all four have been completed.

The major development team members for the projects are listed in the table below:

Project owner/borrower:	Christian Manor Restoration, LP
Co-Developers:	Integrity Development Partners, LLC (Valdosta, GA and wholly owned by IDP Properties) and SCG Development Partners, LLC (Tysons Corner, VA)
General Partner:	PHASE Housing Corporation, Inc. (Alpharetta, GA)
Guarantors in addition to borrower and GP	Integrity Development; SCG Development; IDP Properties, LP; and Rhett & Christine Holmes (President/principals of IDP)
Equity syndicator/Limited Partner:	First Horizon Community Investment Group, Inc.
FHA first mortgage lender:	Greystone Funding Company, LLC
General contractor:	NEI General Contracting, Inc. (Ocoee, FL)
Management company:	Integrity Management Company, LLC

The CUR underwriting uses an interest rate assumption of 2.95% resulting in a 1.10x projected debt service coverage ratio. The appraisal done as part of the CUR process determined a rent restricted stabilized value of \$19.1M (\$25.9M at market rents) and a rent-restricted market LTV of 92%.

The following is a summary breakdown per the CUR of all anticipated permanent loan phase sources and uses of funds (\$207K per unit) for the project:

<u>Uses of Funds – St. Andrews:</u>		<u>Sources of Funds:</u>	
Purchase price	\$12,000,000	Low Income Housing Tax Credit equity	\$ 15,984,246
Rehab construction costs & contingency	18,339,981	FHA 221(d)(4) first mortgage loan	17,529,400
Financing costs	1,751,195	FHFC SAIL subordinate loan	5,000,000
General development costs	2,339,078	FHFC ELI subordinate loan	600,000
Operating reserve	979,118	PHASE Housing seller note	340,000
Developer fee	<u>6,037,047</u>	Deferred developer fee	<u>1,992,773</u>
Total Uses	\$41,446,419	Total Sources:	\$41,446,419

Authorizing resolution and bond documents: Included in the agenda materials is Resolution No. R-2021-16 prepared by Bryant Miller Olive as HFA bond counsel, and the preliminary official statement prepared by Greenberg Traurig as HFA disclosure counsel. The other resolution exhibits are available upon request. The resolution authorizes the issuance of a not-to-exceed amount of bonds, the need for a negotiated sale of the bonds to Stifel, as bond underwriter, the appointment of US Bank as bond trustee, the use and distribution of the official statement for the sale of bonds; and approves the forms of and execution of: the Indenture of Trust between the HFA and US Bank, as bond trustee; the Loan Agreement with the HFA, the bond trustee and the borrower; the Land Use Restriction Agreement between the HFA, the bond trustee and the borrower; the Bond Purchase Agreement with the HFA, borrower and bond underwriter; the Fee Guaranty and Environmental Indemnity Agreement with the borrower, the general partner, the co-developers, and personal guarantors. The bond closing is tentatively scheduled for the second week of December. The rehabilitation construction is expected to start shortly thereafter and be completed in approximately 17 months.

Staff recommends a motion to approve: Resolution No. R-2021-16 authorizing the issuance of not to exceed \$27,000,000 Multifamily Housing Revenue Bonds (Christian Manor), Series 2021.

VI. “New Business” items:

Item (a.) Presentation of multifamily bond application and consideration of approval of inducement resolution for “Everglades Townhomes” apartments – acquisition/rehabilitation – Oikos Development Corporation – Resolution R-2021-17

Included in the agenda materials is an application from Oikos Development Corporation of Kansas City, MO (the “developer”) requesting the consideration of the issuance of up to \$14M tax-exempt bonds for the new construction of family rental apartments to be known as “Everglades Townhomes” located at 200 S. Barfield Highway in the City of Pahokee. Michael Snodgrass, a principal of the developer, is expected to make the presentation of the project application in person.

Background on the developer: The developer is a not-for-profit 501(c)(3) corporation whose President/CEO has over 30-years of nonprofit affordable housing development experience with USDA loans and low income housing credits. The developer has completed eight affordable rental housing projects with an additional five projects awarded or under construction/rehab, all located in the Midwest, and just last week was awarded a 172-unit workforce housing project in Port St. Joe, Florida. The developer’s partners include CM Development for personal guarantees for the project, and Gridiron Development of Pahokee.

The project: The project will be located on the site of the former Everglades Memorial Hospital, which was purchased by the developer from the City of Pahokee in March of 2020. The project is to consist five (5), two-story buildings of 12 units each this totaling 60 units. The plan is for 30 2-bedroom/1-bath units and 30 3/2 units with washer/dryers and solar panels in each, as well as a playground/picnic area. The apartments will be rented to persons and families at up to 60% (or up to 80% using income averaging) of area median income (“AMI”) which for 2021 starts at \$36,000 for one-person household. Current rents maximum rents at 60% of AMI maximum limits for 2 and 3 bedroom units are \$1,156 and \$1,335. The developer shows projected net rents paid by tenants of \$1,050 and \$1,150.

The developer also plans to construct a 10,000 square foot community/childcare center on the site but is not part of the apartment project. This center is to be operated by a third party under a lease, and funded through a separate USDA loan/grant the application for which is in process. If the center is constructed the area would be project green space.

The financing: The developer acquired the project site from the City of Pahokee for \$200K in 2020 with the stipulation that it be developed with affordable housing. They have contracted to sell the site for \$260K to Everglades Townhomes LP, (the “Borrower”) which will be the owner and operator of the facilities. The permanent funding sources of the total projected development cost of \$16.2M is expected to be provided by a USDA 538 first mortgage loan, USDA 514/516 subordinate loan/grants, and the syndication of the 4% low income housing tax credits as shown in the table below. The HFA’s proposed bond issuance is expected to be a \$14M short term (not to exceed 24 months) tax exempt bond loan secured by a first mortgage in a private placement arranged by Hunt Capital Partners. The USDA loans/grants will be obligated at the time of bond closing, and upon project completion will be a source, together with tax credit equity, for repayment of the HFA’s bond loan. The project pro-forma, with a 5% vacancy/collection loss, demonstrates a 1.19x total debt service coverage on the permanent USDA financing.

The following is a summary breakdown of all permanent phase sources and uses of funds (approximately \$269K per unit total development cost):

<u>Uses of Funds:</u>		<u>Sources of Funds:</u>	
Purchase price	\$ 260,000	Low Income Housing Tax Credit equity	\$ 6,852,330
Construction costs & contingency	12,075,281	USDA 538 first mortgage loan	6,287,405
Financing and other soft costs	1,723,952	USDA 514 second mortgage loan	1,500,000
		USDA 516 grant	1,500,000
Operating reserves & escrow	478,740		
Developer fee	<u>1,601,763</u>	Deferred developer fee	<u>-0-</u>
Total Uses	\$16,139,736	Total Sources:	\$16,139,,736

Staff has deemed the application complete with the exception of the concurrency exhibits that are expected to be provided by the developer on or prior to the November 12 meeting.

The anticipating schedule for this project is application/inducement consideration at the November 12 meeting along with the TEFRA public hearing, and expected Board of County Commission approval of the issuance of the bonds on December 7, 2021. The developer has engaged Seltzer Management to prepare the credit underwriting report. They anticipate being ready to close on this transaction in the first quarter of 2022. The form of inducement resolution to be considered is included in the agenda materials.

Staff recommends a motion: to approve the inducement Resolution #R-2021-17 declaring preliminary approval for the issuance of not exceeding \$14,000,000 multifamily housing mortgage revenue bonds for the “Everglades Townhomes”

apartments, authorize staff to conduct a public hearing, and appoint Bryant Miller Olive as bond counsel.

**Item (b.) Approval of transfer of ownership of Indian Trace Apartments –
Resolution R-2021-18**

Back in 2002, the HFA issued multifamily housing revenue bonds on behalf of Indian Trace Associates, an entity of Cornerstone Group Development, for the acquisition and construction of the 330-unit “Indian Trace” family apartments project located on N. Military Trail in the City of Riviera Beach. The bonds were subject to optional redemption in 2012, and included a “Purchase-in-Lieu of Redemption” which Cornerstone exercised later that year and followed by a redemption of the bonds in whole in 2013. As part of the refinancing for the project and the redemption of the bonds, Cornerstone requested a subordination and amendment of the Land Use Restriction Agreement and agreed to a five and one-half year extension of the Qualified Project Period (“QPP”), which now ends on February 28, 2024. Cornerstone is in the process of selling 32 of its apartment properties throughout Florida, including the Indian Trace and Renaissance projects financed with tax-exempt bonds of the HFA to Blackstone Real Estate Income Trust, Inc. (“BREIT”). Cornerstone has advised that the sale will not result in a change in property management at closing, as Blackstone will be retaining Cornerstone Residential Management, LLC, the current property manager for Indian Trace, to continue to serve as the property manager post-closing.

The following information was provided by Cornerstone. BREIT is a long-term, perpetual capital vehicle sponsored by the real estate group of Blackstone Inc. (NYSE: BX) that brings private real estate to income-focused investors with total asset value of almost \$60 billion. BREIT serves individual investors around the world and seeks to create positive economic impact and long-term value for investors, companies and the communities in which BREIT invests. Blackstone’s portfolio includes over 130,000 multifamily units in the United States, including over 17,000 units in Florida. Within the affordable housing space, Blackstone currently owns a national portfolio of LIHTC assets totaling 862 units and is currently under contract to acquire AIG’s affordable housing business, comprised of interests in 678 LIHTC assets and 83,000 units across the United States.

Per the terms of the Land Use Restriction Agreement, as previously amended, the current owner of Indian Trace must obtain consent to the sale of the project (which must not be unreasonably withheld). In addition, BREIT has agreed to prepay the remaining Authority Fee due on each January 1 and July 1, in the amount of \$11,700, through the end of the QPP totaling \$62,400. The resolution consenting to the sale of Indian Trace additionally

authorizes the execution of an assignment and assumption of the existing land use restriction agreement by BREIT, and releases upon their request the seller's prior fee guaranty agreement with the HFA.

Staff recommends a motion: to approve Resolution #R-2021-18 consenting to the sale of Indian Trace Apartments.

Item (c.) Approval of 2022 meeting schedule

Included in the agenda materials is the proposed meeting schedule for calendar year 2022. The preferred meeting day is the second Friday of the month in the 4th Floor PBC Human Resources training room if available. Meeting dates and change of meeting room are a result of prior use of the room by PBC HR staff.

VII. "Public hearing" – Everglade Townhomes:

The HFA will consider an inducement resolution for this project at the same meeting that the public hearing has been scheduled. The reason for this quick process is that the developer believes they can be ready to close on their construction (HFA bond loan) and permanent loan financing (USDA) by February of 2022. The Board of County Commission approval of the issuance of the bonds is tentatively scheduled for December 7, 2021. This approval by the BoCC is necessary to apply for private activity bond allocation in 2022. Included in the agenda materials are the proof of publication of the public hearing notice, which ran in the Palm Beach Post on November 5. The notice of the public hearing was also posted to the Authority's website on November 4. Both of these dates are more than the minimum 7-day advance notice requirement of the IRS.

Tab 1

IV. Consent Items - attachments

- a. Minutes of October 8 regular meeting**

HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY
MINUTES

Meeting Date & Time:

9:00 A.M., Friday, October 8, 2021

Location:

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

Attendance in person:

None

Attendance via web/phone:

Skip Miller - general counsel – Greenspoon Marder
Dorritt Miller – Assistant County Administrator PBC
Helen Feinberg – RBC Capital
Tim Wranovix – Raymond James
Alex Wood – Lincoln Avenue Capital

Staff and professionals in person:

David Brandt, Executive Director
Jennifer Hamilton, Administrative Assistant

I. Call to Order

a. Roll call and establishment of quorum

Prior to calling the meeting, to order the executive director (“ED”) asked the Chair if it would be best to have the Vice Chair to conduct the meeting in person to which he concurred. The Vice Chair (VC) then called the meeting to order at approximately 9:00 a.m. and asked the ED to call the roll:

Bobby “Tony” Smith, Chair – present via call-in

Robin B. Henderson, Vice Chair – present

Charles St. Lawrence – present

Chrichtet B. Mixon – present

Laurie Dubow – present via web

Tracy Caruso – absent

Clark D. Bennett – present

The ED stated that the four members present constituted a quorum. General counsel Skip Miller advised that the VC could allow those members attending remotely to participate in voting on matters if they were not attending due to a medical reason. The Chair said he could not attend for medical reason, and Mrs. Dubow said she had a business timing conflict and therefor would not be voting.

II. Public comment on Agenda Items

There was no public attendance

III. Agenda Approval

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

IV. Consent Agenda

Ms. Mixon moved approval of the Consent Agenda. The motion was seconded by Mr. Bennett and passed unanimously by a vote of 5-0.

V. Old Business

Item (a.) Update on “Christian Manor” bond issuance

The ED provided a brief update on this status of the bond financing for the project, that staff anticipates substantially final documents along with an authorizing resolution, and credit underwriting report will be presented at the November 12 meeting. He indicated that staff had made a recommendation at the June meeting, which the board approved, to have the developers of the three pending bond projects determine their respective amount of 2021 private activity bond allocation request to be filled with the Division of Bond Finance prior to July 1. Christian Manor asked for and received an allocation of \$19.8M. As the first bond issue to close after the St. Andrew and St. James bond closings this project will also have to use the \$9M of remaining 2020 PAB carryforward plus 90% of the \$19.8M. This will result in bond issuance amount \$27M of bonds when they only requested \$19.8M. He advised that it was his recommendation that closing fee and on-going issuer fee be based on the requested amount rather than the expected total amount of bonds to be issued.

Mr. Bennett moved approval of staff’s recommendation for a fee based on \$19.8M of bonds. The motion was seconded by Ms. Mixon and passed unanimously by a vote of 5-0.

VI. New Business

Item (a.) Lakeside Commons – Lincoln Avenue Capital – presentation of MF bond application and approval of inducement Resolution R-2021-15

The ED opened the discussion of the bond application for “Lakeside Commons” by stating that it is located directly across the street from the previously discussed “Christian Manor” apartment’s complex on Executive Drive south of Congress Avenue between Clear Lake on the east and I -95 to the west. He added one correction to the description of the project in his agenda memorandum on page three where the number of units is 99. He advised that the development team is Lincoln Avenue Capital out in California. The Authority financed their acquisition and rehabilitation of the “Malibu Bay” apartments back in 2020. He advised that a related entity had already acquired “Lakeside Commons”, which was financed as a 9% low income housing tax credit transaction through the Florida Housing Finance Corporation. The qualified project period for the tax credits has ended. They financing the purchase with FHA 223(f) first mortgage loan, which they plan to leave in place, and obtain a FHA 214(a) supplemental loan to complete the rehabilitation. The HFA’s bonds will be short-term, construction period debt with a maturity of 24 months or less.

Alex Wood of Lincoln Avenue Capital then gave his presentation by provided some background on the firm and then specifics on the project. Lakeside Commons is a 99-unit mid-rise building with elevators, and includes amenities such as a swimming pool, playground and fitness center. He stated the renovations would be similar in nature to what had been done at Malibu Bay, and that it would be completed without the need to move any existing tenants.

The ED stated that it was staff’s recommendation for **a motion to approve inducement resolution R-2021-15 declaring preliminary approval for the issuance of not exceeding \$21M multifamily housing revenue bonds for “Lakeside Commons” apartments. Mr. St. Lawrence moved approval. The motion was seconded by Mr. Bennett and passed unanimously by a vote of 5-0.**

VII. Other matters

a. Matters of Authority members

The Chair advised that any board member that would like to have a shirt with the HFA logo should contact the ED.

b. Matters of ED and Professionals

None

c. Matters of the Public

None

d. Next meeting date: 9:00 a.m., Friday, November 12, 2021, PBC Airport Center, Fourth Floor – Human Resources Training Rm. 4-790

VIII. Adjournment

Ms. Mixon moved to adjourn the meeting at 9: 28 a.m. The motion was seconded by Mr. Bennett and passed unanimously by a vote of 5-0.

Respectfully submitted,

Executive Director

Secretary/Assistant Secretary

Tab 2

V. Old Business - attachments

- a.** Approval of bond issuance for “Christian Manor” apartments
 - i. Resolution R-2021-16
 - ii. Credit Underwriting Report
 - iii. Preliminary Official Statement

RESOLUTION NO. 2021-16

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$27,000,000 IN PRINCIPAL AMOUNT OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE BONDS (CHRISTIAN MANOR), SERIES 2021; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT, AND A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT RELATING TO THE BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ITS DISTRIBUTION IN CONNECTION WITH THE SALE OF THE BONDS AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE BONDS BY AND AMONG THE AUTHORITY, THE BORROWER AND STIFEL, NICOLAUS & COMPANY, INCORPORATED; ACCEPTING A CREDIT UNDERWRITING REPORT WITH RESPECT TO THE BONDS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF AND PROVISION OF SECURITY FOR THE BONDS; APPOINTING A TRUSTEE WITH RESPECT TO THE BONDS; PROVIDING THAT SUCH BONDS SHALL BE ISSUED IN CERTIFICATED FORM; AUTHORIZING THE AWARD OF THE BONDS TO STIFEL, NICOLAUS & COMPANY, INCORPORATED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Finance Authority of Palm Beach County (the "Authority") desires to issue its Multifamily Housing Revenue Bonds (Christian Manor), Series 2021 (the "Bonds") to fund a loan to Christian Manor Restoration, LP, a Florida limited partnership (the "Borrower") to finance a portion of the costs of the acquisition and rehabilitation of a residential multifamily rental facility for the elderly known as Christian Manor (the "Project"); and

WHEREAS, the Authority desires to approve the forms of, and authorize the execution and delivery of a Trust Indenture, a Loan Agreement, a Land Use Restriction Agreement, a Fee Guaranty and Environmental Indemnity Agreement, a Bond Purchase Agreement (each as herein defined) and other documents to be executed in connection with the issuance of the Bonds; and

WHEREAS, the Authority desires to approve the form of a Preliminary Official Statement and authorize its distribution and the use and distribution of a final Official Statement; and

WHEREAS, the Authority wishes to award the sale of the Bonds to Stifel, Nicolaus & Company, Incorporated (the "Underwriter") at a negotiated sale subject to the criteria set forth herein; and

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida, adopted Resolution R-70-1150 and Sections 2-181 through 2-191, Code of Ordinances of Palm Beach County, Florida (the "County Code"), creating the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), pursuant to the provisions of Chapter 159, Part IV, Florida Statutes, as amended and supplemented (the "Act"); and

WHEREAS, within Palm Beach County, Florida (the "County") there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, deprives the County of an adequate tax base, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

WHEREAS, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a "qualified housing development" under the Act; and

WHEREAS, due to the complexity of the financing, the turmoil in the capital markets and the need to coordinate matters among the Authority, the Borrower and the Underwriter, it is in the best interest of the Authority to negotiate the sale of the Bonds. The disclosure required in Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the sale of the Bonds; and

WHEREAS, on September 17, 2021, a public hearing concerning the issuance of the Bonds in an aggregate face amount of not to exceed \$27,000,000 to finance the Project was held by the Authority; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Bonds was published in the *Palm Beach Post*, a newspaper of general circulation in the County on September 3, 2021, at least 7 days prior to the date of such hearing; and

WHEREAS, on October 19, 2021, the Board of County Commissioners of the County adopted Resolution No. R-2021-1588, approving the issuance of the Bonds for purposes of

Section 147(f) of the Internal Revenue Code of 1986, as amended and the County Code; and

WHEREAS, the Authority has received from the State of Florida Division of Bond Finance a carry-forward allocation from the Authority's 2020 private activity bond volume cap in the amount of \$68,000,000 for use with multifamily housing projects, of which \$9,000,000 remains available and 2021 calendar year bond volume allocation in the amount of \$19,800,000; and

WHEREAS, the Authority wishes to approve the appointment of a Trustee with respect to the Bonds.

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

SECTION 1. There is hereby authorized and directed to be issued the Authority's Multifamily Housing Revenue Bonds (Christian Manor), Series 2021, in an aggregate principal amount not to exceed \$27,000,000. The Bonds shall be issued under and secured by the Trust Indenture referred to below which by reference is hereby incorporated in this resolution as if set forth in full herein. The Bonds shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and upon the terms, and shall have all of the other characteristics, as shall be approved by the Chairperson or Vice Chairperson of the Authority prior to sale of said Bonds, as provided in this Resolution. The Bonds shall be executed, attested, authenticated and delivered by the officers of the Authority authorized to execute, attest and deliver the Trust Indenture below in substantially the form set forth in the Trust Indenture in fully registered certificated form.

SECTION 2. The Trust Indenture (the "Trust Indenture"), in substantially the form attached hereto as Exhibit A (and all exhibits thereto), is hereby approved, and the Chairperson, Vice Chairperson and Secretary or any Assistant Secretary of the Authority or any other authorized officer are hereby authorized and directed to execute, attest and deliver the Trust Indenture on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as reflect the final terms of the Bonds, including, but not limited to, the insertion of rates, maturities and other details of the Bonds determined as herein provided, and with such modifications to the exhibits thereto, as may be made prior to the delivery of the Bonds, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 3. The Loan Agreement (the "Loan Agreement") and the Land Use Restriction Agreement (the "Land Use Restriction Agreement", and together with the Loan Agreement, collectively, the "Agreements"), in substantially the forms attached hereto as Exhibits B and C, are hereby approved, confirmed and ratified and the Chairperson, Vice Chairperson and Secretary or any Assistant Secretary, any other authorized officer of the Authority are hereby authorized and directed to execute, attest and deliver the Agreements on

behalf of and in the name of the Authority with such additional changes, insertions and omissions therein, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 4. It is hereby found and determined that due to the complexity of the financing it is in the best interests of the Authority to negotiate the sale of the Bonds. The disclosure required by Section 218.385, Florida Statutes, as amended, shall be provided to the Authority prior to the delivery of the Bonds. The negotiated sale of the Bonds in an aggregate principal amount of not to exceed \$27,000,000, at a price not less than 100% of the aggregate principal amount of such Bonds, bearing a net interest cost not in excess of 5.0%, and with a final maturity date of the Bonds not later than February 1, 2027, is hereby approved.

SECTION 5. The Fee Guaranty and Environmental Indemnity Agreement in substantially the form attached hereto as Exhibit D (the "Guaranty"), is hereby approved, confirmed and ratified and the Chairperson, Vice Chairperson and Secretary or any Assistant Secretary, any other authorized officer of the Authority are hereby authorized and directed to execute, attest and deliver the Guaranty on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein, and as may be otherwise made and approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

SECTION 6. The Authority hereby approves the form of the Preliminary Official Statement in substantially the form attached hereto as Exhibit E (the "Preliminary Official Statement"), and authorizes the use and distribution of said Preliminary Official Statement by the Underwriter in connection with the sale of the Bonds, and further authorizes the use and distribution of an Official Statement relating to the Bonds, each with such insertions, omissions and revisions as shall hereafter be approved by the Chairperson or Vice Chairperson of the Authority as necessary to reflect the terms of the sale of the Bonds. The Chairperson, Vice Chairperson or Executive Director are hereby authorized to deem the Preliminary Official Statement final as of its date.

SECTION 7. The Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Authority, the Borrower and the Underwriter as presented at this meeting and attached hereto as Exhibit F, is hereby authorized and approved by the Authority, and the Chairperson or Vice Chairperson of the Authority is hereby authorized to execute, attest and deliver the Bond Purchase Agreement and, if required, the Secretary, any Assistant Secretary or Executive Director is authorized to place the Authority's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the counsel to the Authority, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

SECTION 8. With respect to the Bonds, U.S. Bank National Association, Fort Lauderdale, Florida, is hereby appointed as Trustee.

SECTION 9. All prior resolutions and motions of the Authority inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

SECTION 10. The Authority has determined that it shall charge the Borrower an initial fee of \$39,600 and an annual fee of \$29,700 payable at the times and in the manner set forth in the Trust Indenture and the Land Use Restriction Agreement. Said fees are based on 0.20% and 0.15%, respectively, of a \$19,800,000 bond issue, per direction of the Authority Board.

SECTION 11. To the extent that the Chairperson, Vice Chairperson or Secretary or any Assistant Secretary of the Authority are unable for any reason to execute or deliver the documents referred to above, such documents may be executed, attested and/or delivered by any other member of the Authority, with the same effect as if executed and/or delivered by the Chairperson, Vice Chairperson or Secretary. In the absence of the Secretary, any Assistant Secretary or the Executive Director shall be authorized to attest and deliver any documents relating to the Bonds.

SECTION 12. The Chairperson, Vice Chairperson, the Secretary, any Assistant Secretary and all other members of the Authority, together with the Executive Director, are hereby authorized and directed to (a) execute any and all certifications or other instruments, agreements, assignments, endorsement or documents required by the Trust Indenture, the Agreements, the Bond Purchase Agreement, Bond Counsel or any other document referred to above as a prerequisite or precondition to the issuance of the Bonds, and any representation made therein shall be deemed to be made on behalf of the Authority, and (b) to take all such actions as shall be necessary or advisable to carry out the transactions provided for in this Resolution. All action taken to date by the members of the Authority and the staff of the Authority in furtherance of the issuance of the Bonds is hereby approved, confirmed and ratified.

SECTION 13. The Credit Underwriting Report with respect to the Project delivered to the Authority by First Housing Development Corporation of Florida ("First Housing"), is hereby accepted and approved, provided that any open or unresolved issues identified in the Credit Underwriting Report must be satisfied or otherwise resolved prior to the issuance of the Bonds to the Authority's satisfaction (as evidenced by a letter from First Housing). The Credit Underwriting Report is attached hereto as Exhibit G

[Remainder of page intentionally left blank]

SECTION 15. This resolution shall become effective immediately upon its adoption.

ADOPTED this 12th day of November, 2021.

HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA

(SEAL)
ATTEST:

By: _____
Chairperson

[Assistant] Secretary

EXHIBIT A

FORM OF TRUST INDENTURE

EXHIBIT B

FORM OF LOAN AGREEMENT

EXHIBIT C

FORM OF LAND USE RESTRICTION AGREEMENT

EXHIBIT D

FORM OF FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT

EXHIBIT E

FORM OF
PRELIMINARY OFFICIAL STATEMENT

EXHIBIT F

FORM OF
BOND PURCHASE AGREEMENT

EXHIBIT G

CREDIT UNDERWRITING REPORT

Housing Finance Authority of Palm Beach County

Credit Underwriting Report

Christian Manor

Tax-Exempt Multifamily Revenue Bonds ("MRB" or "Bonds")

Section A: Report Summary

Section B: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

FINAL REPORT

November 2, 2021

Christian Manor

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Section A

Report Summary

Recommendation

The Applicant has applied to Housing Finance Authority of Palm Beach County (“HFABPC”) for Tax-Exempt Multifamily Bonds. First Housing Development Corporation of Florida (“First Housing” or “FHDC”) recommends a MRB in the amount of \$27,000,000 to finance the acquisition and rehabilitation of Christian Manor (“Development”).

DEVELOPMENT & SET-ASIDES

Development Name: Christian Manor

RFA/Program Numbers: RFA 2019-116 / 2020-4055

Address: 325 Executive Center Drive

City: West Palm Beach Zip Code: 33401 County: Palm Beach County Size: Large

Development Category: Acquisition/Rehab Development Type: Garden Apts (1-3 Stories)

Construction Type: Masonry

Demographic Commitment:
Primary: Elderly: 55+ or 62+ for 80% of the Units

Palm Beach County, Miami-Fort Lauderdale-West Palm Beach MSA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	6	427	28%			\$420	\$0	\$ 420		\$ 420	\$ 420	\$ 420	\$ 30,240
0	1.0	50	427	60%			\$900	\$0	\$ 900		\$ 900	\$ 900	\$ 900	\$ 540,000
1	1.0	14	537	28%			\$449	\$0	\$ 449		\$ 449	\$ 449	\$ 449	\$ 75,432
1	1.0	130	537	60%			\$963	\$0	\$ 963		\$ 963	\$ 963	\$ 963	\$ 1,502,280
		200	101,240											\$ 2,147,952

Buildings: Residential - 4 Non-Residential - 2

Parking: Parking Spaces - 178 Accessible Spaces - 12

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC	100.0%	200	60%	50
SAIL/ELI	10.0%	20	28%	50
SAIL	90.0%	180	60%	50
HFAPBC MRB	40.0%	80	60%	15

Absorption Rate 10 units per month for 20.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
Occupancy Comments 76.5% occupied as of 6/28/2021

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
Site Acreage: 5.352 Density: 37.37 Flood Zone Designation: X
Zoning: MF32, Multifamily High Density Residential Flood Insurance Required?: No

According to the Market Study, BBG, Inc. (“BBG”) estimates an absorption rate of 10 units/month during preleasing of the Development, which will begin fourteen months before completion. Based on BBG’s conversation with management, they will be redeveloping one building at a time and only keep current residents that qualify for the expected restricted age and income limits, which is expected to be about 50 residents in total. It is estimated that approximately 190 units (95%) will be leased upon completion as a result of leasing and pre-leasing efforts.

DEVELOPMENT TEAM		
Applicant/Borrower:	Christian Manor Restoration, LP	% Ownership
General Partner	PHASE Housing Corporation, Inc.	0.01%
Limited Partner	First Horizon Community Investment Group, Inc. ("First Horizon")	99.99%
Special LP	CC Community Development Holdings, Inc.	0.00%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Christian Manor Restoration, LP	
CC Guarantor 2:	PHASE Housing Corporation, Inc.	
CC Guarantor 3:	Integrity Development Partners, LLC ("Integrity Development")	
CC Guarantor 4:	SCG Development Partners, LLC ("SCG Development")	
CC Guarantor 5:	IDP Properties, LP ("IDP")	
CC Guarantor 6:	Rhett Holmes	
CC Guarantor 7:	Christine Holmes	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Christian Manor Restoration, LP	
OD Guarantor 2:	PHASE Housing Corporation, Inc.	
OD Guarantor 3:	Integrity Development	
OD Guarantor 4:	SCG Development	
OD Guarantor 5:	IDP	
OD Guarantor 6:	Rhett Holmes	
OD Guarantor 7:	Christine Holmes	
Bond Purchaser	Stifel, Nicolaus & Company, Incorporated ("Stifel")	
Developer:	Integrity Development	
Co-Developer:	SCG Development	
General Contractor 1:	NEI General Contracting, Inc. ("NEI")	
Management Company:	Integrity Management Company, LLC	
Syndicator:	First Horizon	
Bond Issuer:	Housing Finance Authority of Palm Beach County, Florida ("HFAPBC")	
Architect:	Studio 8 Design, LLC	
Market Study Provider:	BBG	
Appraiser:	CBRE, Inc. ("CBRE")	

PERMANENT FINANCING INFORMATION				
	1st Source	2nd Source	3rd Source	4th Source
Lien Position	First	Second	Third	Fourth
Lender/Grantor	Greystone Funding Company LLC ("Greystone")/ FHA/HUD	FHFC - SAIL	FHFC - ELI	PHASE Housing Corporation, Inc.
Amount	\$17,529,400	\$5,000,000	\$600,000	\$340,000
Underwritten Interest Rate	2.95%	1.00%	0.00%	2.50%
Loan Term	40	40	40	40
Amortization	40	0	0	40
Market Rate/Market Financing LTV	68%	87%	89%	91%
Restricted Market Financing LTV	92%	118%	121%	123%
Loan to Cost - Cumulative	42%	54%	56%	57%
Loan to Cost - SAIL Only	N/A	12%	N/A	N/A
Debt Service Coverage	1.10	1.03	1.02	1.01
Operating Deficit & Debt Service Reserves	\$979,118			
# of Months covered by the Reserves	5.9			

Deferred Developer Fee	\$1,992,773
As-Is Land Value	\$2,800,000
As-Is Value (Land & Building)	\$18,900,000
Market Rent/Market Financing Stabilized Value	\$25,900,000
Rent Restricted Market Financing Stabilized Value	\$19,100,000
Projected Net Operating Income (NOI) - Year 1	\$904,889
Projected Net Operating Income (NOI) - 15 Year	\$1,022,885
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Public Offering
Housing Credit (HC) Syndication Price	\$0.92
HC Annual Allocation - Equity Letter of Interest	\$1,737,592

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage	Greystone/FHA/HUD	\$17,529,400	\$17,529,400	\$87,647
FHFC - SAIL	FHFC	\$5,000,000	\$5,000,000	\$25,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$3,000
Seller Financing	PHASE Housing Corporation, Inc.	\$2,946,453	\$340,000	\$1,700
HC Equity	First Horizon	\$11,988,185	\$15,984,246	\$79,921
Deferred Developer Fee	Integrity Development and SCG Development	\$2,403,263	\$1,992,773	\$9,964
Reserve Escrows	N/A	\$979,118	\$0	\$0
TOTAL		\$41,446,419	\$41,446,419	\$207,232

Strengths:

1. The Principals, Developers, and Management Company are experienced in affordable multifamily housing.
2. According to the Market Study, occupancy rates for the senior affordable comparables ranged from 97% to 100% with an average occupancy of 99%.

Issues and Concerns:

1. First Housing received a Statement of Financial Affairs, dated May 21, 2021, which indicates that Rhett Holmes, an affiliate of the Co-Developer, has been a guarantor on five deals that were involved in loan workouts which included seeking bankruptcy protection as a strategy to maintain ownership and a deed in lieu of foreclosure. The events occurred in and around 2013 one year after Rhett Holmes had no ownership interest in the projects.

Mitigating Factors:

1. Four out the five properties were able to fulfill their affordability requirements and loans were repaid in full. The one deal that negotiated a deed in lieu of foreclosure was able to fulfill the remaining affordability period. First Housing is not aware of any other arrearages or material defaults outstanding at this time.

Waiver Requests/Special Conditions:

None

Additional Information:

1. The Development has applied to the HFAPBC for tax-exempt bonds and it is anticipated the bond amount will be \$27,000,000. First Housing reviewed a letter from Stifel, dated July 22, 2021, indicating Stifel would purchase \$27,000,000 of tax-exempt revenue bonds. It is anticipated the Bonds will be collateralized by proceeds of the HUD 221(d)(4) loan, a portion of the SAIL and ELI Loans, and equity in a form of a loan. Based on an email from David Brandt, dated August 2, 2021, even though the bond amount is \$27,000,000, the fees associated with the bonds will be based on the greater of the permanent first mortgage or \$19,800,000.
2. The Debt Service Coverage ("DSC") for the first and second loans reflects a ratio lower than 1.10 to 1.00 and is 1.03x. According to the SAIL requirements, the minimum DSC

shall be 1.10x, including all superior mortgages. However, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, the minimum debt service coverage shall be 1.00x, for the SAIL Loan, including all superior mortgages. The Development meets this guideline.

3. On June 20, 2019, the current owner entered into a Declaration of Housing Restrictions Agreement, which requires 100% of the units to be leased, rented, or made available to persons or households whose incomes are 120% or less of the area median income ("AMI"). The current owner is charging rents that are between 40% and 50% AMI.
4. The affiliates of the Applicant have worked on applying for and securing Tenant Protection Vouchers ("TPV") from HUD for all qualifying residents. The TPV will allow rent increases while avoiding displacement of the existing residents who would not be able to afford the higher rents. At this time the details of the TPV are still being worked out and the units have been underwritten to the maximum LIHTC rents only. If the vouchers are higher than the maximum LIHTC rents, the debt service coverage ratio will increase.

Recommendation:

First Housing recommends Tax-Exempt Multifamily Bonds in the amount of \$27,000,000 for the acquisition and rehabilitation of the Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). This recommendation is conditioned upon the following:

1. Firm Commitment from Greystone/HUD for the 221(d)(4) construction and permanent loan with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Receipt of an Asbestos Operations & Maintenance (“O&M”) Plan.
3. Receipt of an executed GC Contract (HUD-92554M) including the final Exhibits.
4. Satisfactory receipt and review of updated financials for the Guarantors, dated within 90 days of closing.
5. Satisfactory receipt of a final PCR.
6. Receipt of an executed Co-Developer Agreement.

The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus’ impact to the overall economy is unknown. More specifically, it is unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by First Housing in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

This recommendation is only valid for six months from the date of the report


The reader is cautioned to refer to these sections for complete information.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Regulated Mortgage Lender	Greystone/FHA/HUD	\$10,100,000	\$17,180,075	\$17,529,400	2.95%	\$517,117
FHFC - SAIL	FHFC	\$5,000,000	\$5,000,000	\$5,000,000	1.00%	\$50,000
FHFC - SAIL ELI	FHFC	\$5,000,000	\$600,000	\$600,000	0.00%	\$0
Seller Financing	PHASE Housing Corporation, Inc.	\$600,000	\$2,946,453	\$2,946,453	2.50%	\$116,601
HC Equity	First Horizon	\$4,634,000	\$11,749,000	\$11,988,185	N/A	N/A
Deferred Developer Fee	Integrity Development and SCG Development	\$1,200,000	\$2,928,193	\$2,403,263	N/A	N/A
Reserve Escrows	N/A	\$0	\$979,118	\$979,118	N/A	N/A
Total		\$26,534,000	\$41,382,839	\$41,446,419		\$683,718

First Mortgage:

First Housing reviewed a letter from Stifel, dated July 22, 2021, where Stifel anticipates purchasing up to \$27,000,000 in tax-exempt bonds. The proposed bond structure will be short term cash collateralized, which uses cash or cash equivalent investments as bond security. The anticipated source of collateralization is proceeds from a HUD 221(d)(4) loan, a portion of the SAIL and ELI Loans, and equity in a form of a loan. The bonds are anticipated to carry a Aaa/AA+ rating and will be publicly offered for sale as a single tranche or series. The term of the bonds would not exceed 3 years and it is proposed for an Initial Mandatory Tender Date of 2 years. Stifel estimates a bond coupon at roughly 0.20%. Similarly, if priced today, Stifle anticipates the reinvestments to have a similar rate at roughly 0.20%.

The HFAPBC Issuer Fee of 20 basis points (“bps”) on \$19,800,000 and the annual Trustee Fee of \$4,500 have been included in the uses section of the report.

First Housing received a loan proposal from Greystone, dated June 21, 2021, for the construction and permanent financing from U.S. Department of Housing and Urban Development (“HUD”) under the Section 221(d)(4) substantial rehabilitation program. At the time of the letter, the loan amount was estimated at \$17,529,400. However, in no circumstances can the maximum loan amount exceed \$18,405,870, which is the estimated loan amount plus 5%. During the 17-month construction term, the loan will require interest only payments. Principal and interest payments will commence following completion for a self-amortizing loan term of 40 years. Please note,

based current market conditions and conversations with the Applicant the interest rate is estimated at 2.95%.

FHFC SAIL and ELI Loans:

First Housing reviewed an invitation to enter credit underwriting, dated July 20, 2020, from FHFC with a preliminary SAIL Loan in the amount up to \$5,000,000 and a preliminary ELI Loan in the amount up to \$600,000.

The SAIL Loan is non-amortizing with an interest rate of 1% plus servicing and compliance monitoring fees for a total term of 41 years and 5 months, of which 17 months is for the construction/stabilization period and 40 years is for the permanent period. As required by the permanent first mortgage lender, and permitted by Rule Chapter 67-48, the SAIL Loan term will be coterminous with the first mortgage. The Applicant shall not be obligated to pay more than 75% of development surplus cash flow on an annual basis as required and defined by HUD's Regulatory Agreement. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Loan, all principal and unpaid interest will be due.

The ELI loan is non-amortizing with an interest rate of 0% plus permanent loan servicing and compliance monitoring fees for a total loan term of 41 years and 5 months, of which 17 months is for the construction/stabilization period and 40 years is for the permanent period. As required by the first mortgage lender, the ELI Loan term will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households for the first 15 years of the 50-year Compliance Period. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% AMI. The Persons with Special Needs set aside requirement must be maintained through the entire 50-year Compliance Period.

Seller Financing:

First Housing received a Sellers Take-Back Note Commitment, dated August 20, 2021, which indicates PHASE Housing Corporation, Inc. has committed to provide taxable debt financing in the amount of approximately \$3,000,000. It is anticipated that a portion of the Note will be repaid at Final Endorsement of the HUD 221(d)(4) loan. The term of the Seller Take-Back Note will be coterminous with the HUD 221(d)(4) loan and will have an interest rate equal to the long term AFR or other mutually agreed upon interest rate, which is presently anticipated to be 2.50%, payable from surplus cash as determined by HUD. The Applicant is estimating a construction Seller Note of \$2,946,453.

Housing Credit Equity:

First Housing has reviewed an executed proposal, dated October 26, 2021, indicating First Horizons, or its designee, will acquire 99.99% ownership interest in the Applicant. Based on the letter, the annual 4% HC allocation is estimated to be in the amount of \$1,737,592 and a syndication rate of \$0.92 per dollar. First Horizons anticipates a net capital contribution of \$15,984,246 and has committed to make available 75% or \$11,988,185 of the total net equity during the construction period. Two additional installments will be available at 100% construction completion and receipt of the Form 8609. The first installment, in the amount of \$3,196,850, or 20.00% of the total net equity, meets the requirement that 15% of the total equity must be contributed at or prior to the closing.

Deferred Developer Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer \$2,403,263 or approximately 42.21% of the total Developer Fee of \$5,693,445.

Reserves:

According to the proposal from First Horizon, an operating deficit reserve in the amount of \$979,118 will be established no later than Final Endorsement, which will be after construction.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Regulated Mortgage Lender	Greystone/FHA/HUD	\$10,100,000	\$17,180,075	\$17,529,400	40	40	2.95%	\$746,981
FHFC - SAIL	FHFC	\$5,000,000	\$5,000,000	\$5,000,000	40	0	1.00%	\$50,000
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$600,000	40	0	0.00%	\$0
Seller Financing	PHASE Housing Corporation, Inc.	\$0	\$946,453	\$340,000	40	40	2.50%	\$13,455
HC Equity	First Horizon	\$8,427,000	\$15,667,000	\$15,984,246	N/A	N/A	N/A	N/A
Deferred Developer Fee	Integrity Development and SCG Development	\$1,200,121	\$1,989,311	\$1,992,773	N/A	N/A	N/A	N/A
Total		\$25,327,121	\$41,382,839	\$41,446,419				\$810,436

First Mortgage:

First Housing received a loan proposal from Greystone, dated June 21, 2021, for the construction and permanent financing from U.S. Department of Housing and Urban Development (“HUD”) under the Section 221(d)(4) substantial rehabilitation program. At the time of the letter, the loan amount was estimated at \$17,529,400. However, in no circumstances can the maximum loan amount exceed \$18,405,870, which is the estimated loan amount plus 5%. During the 17-month construction term, the loan will require interest only payments. Principal and interest payments will commence following completion for a self-amortizing loan term of 40 years. Please note, based current market conditions and conversations with the Applicant the interest rate is estimated at 2.95%. If interest rates increase/decrease, Florida Housing and the Servicer will be required to approve the final loan amount upon interest rate lock. Approval by Florida Housing’s Board will be required if the permanent loan is subsequently sized to an amount greater than the current recommended amount of \$17,529,400.

The additional fee included in the Debt Service calculation consists of a MIP in the amount of 25 bps and an annual HFAPBC Administrative Fee of 15 bps on \$19,800,000.

FHFC SAIL and ELI Loans:

First Housing reviewed an invitation to enter credit underwriting, dated July 20, 2020, from FHFC with a preliminary SAIL Loan in the amount up to \$5,000,000 and a preliminary ELI Loan in the amount up to \$600,000.

The SAIL Loan is non-amortizing with an interest rate of 1% plus servicing and compliance monitoring fees for a total term of 41 years and 5 months, of which 17 months is for the construction/stabilization period and 40 years is for the permanent period. As required by the

permanent first mortgage lender, and permitted by Rule Chapter 67-48, the SAIL Loan term will be coterminous with the first mortgage. The Applicant shall not be obligated to pay more than 75% of development surplus cash flow on an annual basis as required and defined by HUD's Regulatory Agreement. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Loan, all principal and unpaid interest will be due.

The ELI loan is non-amortizing with an interest rate of 0% plus permanent loan servicing and compliance monitoring fees for a total loan term of 41 years and 5 months, of which 17 months is for the construction/stabilization period and 40 years is for the permanent period. As required by the first mortgage lender, the ELI Loan term will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Principal is forgivable at maturity, provided the units for which the ELI Loan amount is awarded are targeted to ELI households for the first 15 years of the 50-year Compliance Period. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% AMI. The Persons with Special Needs set aside requirement must be maintained through the entire 50-year Compliance Period.

The annual multiple program Compliance Monitoring Fee is \$964 for each of the SAIL and ELI loans and the annual Compliance Monitoring Multiple Program Fee of \$964 for Link Units for Persons with Special Needs. The annual Permanent Loan Servicing Fee is based upon the outstanding loan amount, with a fee of 25 bps of the outstanding loan amount, with a minimum monthly fee of \$222, and a maximum monthly fee of \$883.

Seller Financing:

First Housing received a Sellers Take-Back Note Commitment, dated August 20, 2021, which indicates PHASE Housing Corporation, Inc. has committed to provide taxable debt financing in the amount of approximately \$3,000,000. It is anticipated that a portion of the Note will be repaid at Final Endorsement of the HUD 221(d)(4) loan. The term of the Seller Take-Back Note will be coterminous with the HUD 221(d)(4) loan and will have an interest rate equal to the long term AFR or other mutually agreed upon interest rate, which is presently anticipated to be 2.50%, payable from surplus cash as determined by HUD. First Housing is estimating a permanent Seller Note of \$340,000.

Housing Credit Equity:

The Applicant has applied to FHFC to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax-exempt financing. A HC calculation is contained in Exhibit 2 of this credit underwriting report. Based on an executed letter of intent, dated October 26, 2021, First Horizon, or a designee, will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$3,196,850	20.00%	Admission Date. Approved AHAP Contract must be received by the Partnership and written approval of the property tax exemption.
2nd Installment	\$5,594,486	35.00%	50% of construction completion, as supported by invoices and / or AIA document.
3rd Installment	\$3,196,849	20.00%	99% completion of construction.
4th Installment	\$3,196,849	20.00%	The later of 100% completion of construction, 100% qualified occupancy, receipt of executed HAP contract, or final closing.
5th Installment	\$799,212	5.00%	Issuance of 8609s, and stabilization (93% occupancy and 1.15 DSC for 180 consecutive days. In the event this milestone cannot be met earlier than 90 days before Final Closing, the remaining 90 days will fall after Final Closing.
Total	\$15,984,246	100.00%	

Annual Credit Per Syndication Agreement

\$1,737,592

Calculated HC Exchange Rate

\$0.92

Limited Partner Ownership Percentage

99.99%

Proceeds Available During Construction

\$11,988,185

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$1,992,773 or approximately 35.00% of the total Developer Fee of \$5,693,445.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accessory Buildings	\$385,000	\$0	\$928,879	\$4,644
Rehab of Existing Rental Units	\$10,003,316	\$13,571,777	\$12,642,898	\$63,214
Site Work	\$138,000	\$452,466	\$452,466	\$2,262
Constr. Contr. Costs subject to GC Fee	\$10,526,316	\$14,024,243	\$14,024,243	\$70,121
General Conditions	\$0	\$841,455	\$841,455	\$4,207
Overhead	\$0	\$280,484	\$280,484	\$1,402
Profit	\$1,473,684	\$841,455	\$841,455	\$4,207
General Liability Insurance	\$132,000	\$191,852	\$191,852	\$959
Payment and Performance Bonds	\$132,000	\$191,852	\$191,852	\$959
Contract Costs not subject to GC Fee	\$0	\$10,000	\$10,000	\$50
Total Construction Contract/Costs	\$12,264,000	\$16,381,341	\$16,381,341	\$81,907
Hard Cost Contingency	\$1,300,000	\$1,638,134	\$1,758,640	\$8,793
FF&E paid outside Constr. Contr.	\$100,000	\$200,000	\$200,000	\$1,000
Total Construction Costs:	\$13,664,000	\$18,219,475	\$18,339,981	\$91,700

Notes to the Total Construction Costs:

1. The Applicant has provided a draft construction contract (HUD-92442M) for the Development which is a Cost Plus Contract. According to Article 4, the contract is a cost plus with a Guaranteed Maximum Price of \$16,381,341. The contract is between Christian Manor Restoration, LP and NEI General Contracting, Inc. and will not be executed until closer to closing. Satisfactory receipt of an executed contract is a condition to close. First Housing was also provided with Contractor's and/or Mortgagor's Cost Breakdown (HUD-2328), which is the schedule of values. According to the construction schedule, substantial completion is to be achieved within 459 days, from the date of commencement of the work. Exhibit H of the contract specifies a 10% retainage until 50% completion. After 50% completion, the retainage may be reduced to 5% until 75% completion, and then may be reduced to 2.5% until the loan reaches Final Endorsement.
2. The General Contractor ("GC") fee is within the maximum 14% of hard costs allowed (excluding Builders Risk Insurance and Payment and Performance Bonds).
3. According to the Schedule of Values, there are no Allowances.
4. The GC has budgeted for Payment and Performance Bonds ("P&P Bonds") to secure the construction contract.

5. Contract Costs not subject to GC Fee of \$10,000 is the cost for the cost certification.
6. First Housing adjusted Hard Cost Contingency to 11% of the total construction costs (less general liability insurance, P&P Bonds, and GC Certification), which is within 15%.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	\$25,000	\$25,000	\$25,000	\$125
Appraisal	\$17,500	\$9,500	\$9,500	\$48
Architect's Fee - Site/Building Design	\$336,000	\$334,650	\$334,650	\$1,673
Architect's Fee - Supervision	\$84,000	\$0	\$0	\$0
Building Permits	\$100,000	\$200,000	\$200,000	\$1,000
Capital Needs Assessment/Rehab	\$15,000	\$2,174	\$3,700	\$19
Environmental Report	\$25,000	\$15,000	\$15,000	\$75
FHFC Administrative Fees	\$78,000	\$153,265	\$156,383	\$782
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$15
FHFC Credit Underwriting Fee	\$18,799	\$21,073	\$21,073	\$105
FHFC Compliance Fee	\$284,022	\$282,382	\$282,382	\$1,412
Lender Inspection Fees / Const Admin	\$28,000	\$0	\$28,000	\$140
Green Building Cert. (LEED, FGBC, NAHB)	\$25,000	\$0	\$0	\$0
Insurance	\$0	\$300,000	\$300,000	\$1,500
Legal Fees - Organizational Costs	\$100,000	\$175,906	\$175,906	\$880
Market Study	\$7,500	\$4,000	\$4,000	\$20
Plan and Cost Review Analysis	\$0	\$2,600	\$2,600	\$13
Survey	\$12,500	\$13,750	\$13,750	\$69
Tenant Relocation Costs	\$200,000	\$275,000	\$275,000	\$1,375
Title Insurance and Recording Fees	\$250,000	\$350,000	\$350,000	\$1,750
Soft Cost Contingency	\$0	\$200,000	\$111,384	\$557
Other: Greystone Third Party Reports	\$0	\$34,500	\$26,000	\$130
Other: Modified 8 Step Process	\$0	\$1,750	\$1,750	\$9
Total General Development Costs:	\$1,609,321	\$2,403,550	\$2,339,078	\$11,695

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for the Market Study, Capital Needs Assessment ("CNA") and Plan and Cost Review ("PCR").

3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% Housing Credit allocation.
4. FHFC Compliance Fee of \$282,382 is based on the compliance fee calculator spreadsheet provided by FHFC.
5. First Housing has included Lender Inspection Fees of \$28,000.
6. First Housing received a Tenant Relocation Plan prepared by Custom Relocation Specialists, LLC. Christian Manor consists of 200 units in 4 residential buildings. The extent of the planned renovations is such that residents will not be able to occupy their units while renovations are being made and temporary relocation will be required. The renovation plan has been devised to reflect rehabilitating the project in four (4) construction phases of one building (50 units) each and to offer those residents who will be temporarily relocated decent, safe, sanitary and functionally equivalent accommodations for the entire time their unit is being renovated. It is anticipated that each phase of construction will last approximately four (4) months. Utilizing existing vacancies and vacancies that will occur as a result of natural attrition after acquisition, residents will be temporarily relocated from the building to be renovated into other buildings within the Development.
7. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the soft cost contingency.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Origination Fee	\$0	\$171,801	\$175,294	\$876
Construction Loan Interest	\$500,000	\$850,000	\$850,000	\$4,250
Permanent Loan Origination Fee	\$151,000	\$0	\$0	\$0
Permanent Loan Closing Costs	\$112,300	\$0	\$0	\$0
Bridge Loan Commitment Fee	\$50,000	\$0	\$0	\$0
Bridge Loan Interest	\$300,000	\$0	\$0	\$0
Local HFA Application Bond Fee	\$0	\$0	\$7,500	\$38
Local HFA Bond Underwriting Fee	\$0	\$0	\$15,359	\$77
Local HFA Bond Trustee Fee	\$0	\$0	\$25,500	\$128
Local HFA Bond Credit Enh. Fee	\$50,500	\$0	\$0	\$0
Local HFA Bond Rating Fee	\$0	\$0	\$5,500	\$28
Local HFA Bond Cost of Issuance	\$490,000	\$242,100	\$40,100	\$201
Local HFA Legal - Bond Counsel	\$0	\$0	\$60,000	\$300
Local HFA Legal - Issuer's Counsel	\$0	\$0	\$29,700	\$149
Local HFA Legal - U/W's Counsel	\$0	\$0	\$20,000	\$100
SAIL Commitment Fee	\$0	\$100,000	\$100,000	\$500
SAIL Closing Costs	\$0	\$12,500	\$12,500	\$63
SAIL-ELI Commitment Fee	\$0	\$12,000	\$12,000	\$60
SAIL-ELI Closing Costs	\$0	\$6,500	\$6,500	\$33
Legal Fees - Financing Costs	\$0	\$0	\$25,000	\$125
Placement Agent/Underwriter Fee	\$0	\$89,100	\$94,100	\$471
FHA MIP (Prepayment)	\$0	\$85,900	\$87,647	\$438
FHA Exam Fee	\$0	\$51,540	\$52,588	\$263
Other: Syndicator Legal	\$0	\$50,000	\$50,000	\$250
Other: FHA Inspection Fee	\$0	\$81,907	\$81,907	\$410
Total Financial Costs:	\$1,653,800	\$1,753,348	\$1,751,195	\$8,756
Dev. Costs before Acq., Dev. Fee & Reserves	\$16,927,121	\$22,376,373	\$22,430,255	\$112,151

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is based on 1% on the total construction loan amount of \$17,529,400.
2. According to the Applicant's flow of funds it is anticipated the initial draw on the HUD loan is estimated around \$9,991,000. The Applicant is projecting construction interest of \$850,000, which includes a cushion, but is reasonable.
3. The Local HFA Application Bond Fee of \$7,500 is based on an application fee of \$1,500 and a Public Hearing Fee of \$6,000.
4. The Local HFA Bond Trustee Fee of \$25,500 includes an initial Trustee fee of \$6,500, a Trustee Counsel fee of \$10,000, and a Trustee fee of \$4,500 for 2 years.

5. First Housing utilized the Cost of Issuance (“COI”) provided by Stifel to breakout costs.
6. Local HFA Cost of Issuance of \$40,100 includes an Administrative Fee of \$39,600 and a dissemination agent fee of \$500.
7. SAIL Commitment Fee of \$100,000 includes a 1% commitment fee and a 1% extension fee on SAIL Loan in the amount of \$5,000,000.
8. SAIL-ELI Commitment Fee of \$12,000 includes a 1% commitment fee and a 1% extension fee of the SAIL ELI Loan in the amount of \$600,000.
9. SAIL and SAIL ELI Closing Costs include \$12,500 and \$6,500, respectively for FHFC Legal Counsel fees.
10. The Placement Agent/Underwriting Fee includes an underwriting fee of \$89,100 and a closing administration expense of \$5,000.
11. The FHA MIP of \$87,647 is based on 0.25% of the HUD loan of \$17,529,400 for 2 years.
12. The FHA Exam Fee of \$52,588 is based on 0.30% of the HUD loan of \$17,529,400.

NON-LAND ACQUISITION COSTS		Revised	Underwriters	
	Applicant Costs	Applicant Costs	Total Costs - CUR	Cost Per Unit
Building Acquisition Cost	\$4,500,000	\$9,200,000	\$9,200,000	\$46,000
Developer Fee on Non-Land Acq. Costs	\$720,000	\$0	\$1,656,000	\$8,280
Total Non-Land Acquisition Costs:	\$5,220,000	\$9,200,000	\$10,856,000	\$54,280

Notes to the Non-Land Acquisition Costs:

1. First Housing reviewed a Purchase and Sale Agreement, dated August 16, 2021, between PHASE Housing Corporation, Inc. (“Seller”) and Christian Manor Restoration Limited Partnership (“Purchaser”). According to the Agreement, the purchase price is \$12,000,000 and closing shall be held on or before December 31, 2021. If closing does not occur by that date, then the Closing Date may be extended for two (2) additional 60 calendar day extensions.
2. The Development’s “As Is” market value, as of March 9, 2021, is \$18,900,000, which supports the purchase price.

3. The Building Acquisition cost of \$9,200,000 is the difference of the purchase price (\$12,000,000) minus the Appraiser's land value (\$2,800,000).

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$2,700,000	\$5,683,747	\$4,037,445	\$20,187
Total Other Development Costs:	\$2,700,000	\$5,683,747	\$4,037,445	\$20,187

Notes to the Developer Fee on Non-Acquisition Costs:

1. The recommended Developer's Fee does not exceed 18% of Total Development Cost before Developer Fee and ODR.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land	\$500,000	\$2,800,000	\$2,800,000	\$14,000
Total Acquisition Costs:	\$500,000	\$2,800,000	\$2,800,000	\$14,000

Notes to Acquisition Costs:

1. According to the appraisal, the land value is \$2,800,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserve (Syndicator)	\$0	\$979,118	\$979,118	\$4,896
Reserves - Working Capital	\$0	\$343,601	\$343,601	\$1,718
Total Reserve Accounts:	\$0	\$1,322,719	\$1,322,719	\$6,614

Notes to Reserve Accounts:

1. An ODR is required by the Syndicator in the estimated amount of \$979,118
2. A working capital reserve in the amount of \$343,601 is to be funded at initial closing and is required under the first mortgage loan.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	\$25,347,121	\$41,382,839	\$41,446,419	\$207,232

Notes to Total Development Costs:

1. Total Development Costs have increased by a total of 64% from \$25,347,121 to \$41,446,419 or \$16,099,298 since the Application. This change is due to an increase in the scope of work, financial costs, the inclusion of reserves and the increase to the acquisition cost.

Operating Pro Forma – Christian Manor

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$2,147,952	\$10,740
	Other Income				
	Miscellaneous			\$30,000	\$150
	Gross Potential Income			\$2,177,952	\$10,890
	Less:				
	Physical Vac. Loss	Percentage:	4.00%	\$87,118	\$436
	Collection Loss	Percentage:	1.00%	\$21,780	\$109
Total Effective Gross Income				\$2,069,054	\$10,345
EXPENSES:	Fixed:				
	Real Estate Taxes			\$38,603	\$193
	Insurance			\$150,000	\$750
	Variable:				
	Management Fee	Percentage:	4.00%	\$82,762	\$414
	General and Administrative			\$45,000	\$225
	Payroll Expenses			\$220,000	\$1,100
	Utilities			\$394,000	\$1,970
	Marketing and Advertising			\$2,000	\$10
	Maintenance and Repairs/Pest Control			\$100,000	\$500
	Grounds Maintenance and Landscaping			\$25,000	\$125
	Reserve for Replacements			\$106,800	\$534
Total Expenses				\$1,164,165	\$5,821
Net Operating Income				\$904,889	\$4,524
Debt Service Payments					
First Mortgage - Greystone/FHA/HUD				\$746,981	\$3,735
Second Mortgage - FHFC - SAIL				\$50,000	\$250
Third Mortgage -FHFC - ELI				\$0	\$0
Fourth Mortgage - PHASE Housing Corporation, Inc.				\$13,455	\$67
First Mortgage Fees - Greystone/FHA/HUD/HFAPBC				\$73,209	\$366
Second Mortgage Fees - FHFC - SAIL				\$11,560	\$58
Third Mortgage Fees - FHFC - ELI/Link Units				\$4,592	\$23
Total Debt Service Payments				\$899,798	\$4,499
Cash Flow after Debt Service				\$5,091	\$25
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees				1.10x	
DSC - Second Mortgage plus Fees				1.03x	
DSC - Third Mortgage plus Fees				1.02x	
DSC - Fourth Mortgage plus Fee				1.01x	
Financial Ratios					
Operating Expense Ratio				56.27%	
Break-even Economic Occupancy Ratio (all debt)				94.97%	

Notes to the Operating Pro Forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with SAIL, which will impose rent restrictions. The rent levels are based on 2021 maximum LIHTC rents published on FHFC's website for Palm Beach County. Below is the rent roll for the Development:

Palm Beach County, Miami-Fort Lauderdale-West Palm Beach MSA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	6	427	28%			\$420	\$0	\$ 420		\$ 420	\$ 420	\$ 420	\$ 30,240
0	1.0	50	427	60%			\$900	\$0	\$ 900		\$ 900	\$ 900	\$ 900	\$ 540,000
1	1.0	14	537	28%			\$449	\$0	\$ 449		\$ 449	\$ 449	\$ 449	\$ 75,432
1	1.0	130	537	60%			\$963	\$0	\$ 963		\$ 963	\$ 963	\$ 963	\$ 1,502,280
		200	101,240											\$ 2,147,952

2. Utility Allowances are \$0 as the Owner is responsible for all utilities.
3. First Housing has included vacancy and collection loss of 5% which is supported by the Appraisal.
4. Miscellaneous Income is comprised of revenue from vending machines, late charges, forfeited security deposits and other miscellaneous sources. Total Miscellaneous Income of \$150/unit/year is supported by the appraisal.
5. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. The Development is assumed to be exempt from paying real estate taxes under the "Homes for the Aged" exemption.
7. First Housing received an executed Management Agreement, with an effective date of October 1, 2021, between Christian Manor Restoration, LP ("Owner") and Integrity Management, LLC ("Manager"). The Agreement indicates the Manager will charge a fee whichever is greater of (a) 4% gross revenue collected per month; (b) \$35.00 per occupied unit per month; or (c) \$1,500.00 per month and addition Special Fees for Subsidy Mix \$2.00 PUPM. First Housing concluded to a management fee of 4%.

8. The Owner is responsible for electric, gas, water and sewer, and trash for the Development.
9. Based on the Replacement Reserve Schedule prepared by GLE Associates, Inc. ("GLE"), the inflated capital costs from year 1 through year 15 is \$534 per year.
10. The DSC for the first and second loans reflects a ratio lower than 1.10 to 1.00 and is 1.03x. According to the SAIL requirements, the minimum DSC shall be 1.10x for the SAIL Loan, including all superior mortgages. However, if the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report, the minimum debt service coverage shall be 1.00x, for the SAIL Loan, including all superior mortgages. The Development meets this guideline.
11. The Break-even Economic Occupancy Ratio includes all debt; however, the seller financing is soft pay and payable from available cash flow. This ratio would improve to 94.35% if the seller financing debt payments were not included in the calculation.
12. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

Section B

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Site Inspection: First Housing conducted a site inspection on September 15, 2020. The Development is surrounded by many other multifamily housing developments to the north, south, and east. Directly west of the Development is Interstate 95. The Development is approximately 2.5 miles from Publix and 4 miles from Walmart. Both of those areas have multiple dining locations. The Development is approximately 5 miles from a beach and 3 miles from Good Samaritan Medical Center. The Development is approximately 1 mile from Interstate 95 access, which is a main thoroughfare for the State of Florida.

Appraised Value: First Housing reviewed an Appraisal for the Development, engaged by Greystone and prepared by CBRE, dated July 27, 2021. The Development's site is developed with an age-restricted 200-unit multifamily garden property. The Development was 86.5% leased as of the date of the rent roll (as of 02/16/2021) and not currently stabilized; however, it was noted that management is currently holding units offline in preparation for the planned substantial rehabilitation of the Development. The Development's land value is \$2,800,000. The Development's market value "As Is" as of March 9, 2021, is \$18,900,000. The hypothetical restricted market value of the leased fee interest in the Development, as completed and stabilized, based on market conditions prevailing on March 9, 2021, is \$19,100,000. The hypothetical market value of the leased fee interest in the Development, as completed and stabilized, based on market conditions prevailing on March 9, 2021, is \$25,900,000. The Market Valuation was certified by Brian L. Finnell, Florida State Certified General Real Estate Appraiser (Florida License number is RZ914 valid through November 30, 2022).

Market Study: BBG prepared a Market Study of the Development, dated June 1, 2021. Christian Manor is an existing elderly multifamily development containing 200 dwelling units.

Interior unit amenities will include vinyl/carpet flooring, granite/quartz countertops, black appliance package, and walk-in closets. Development amenities will include elevators, on-site management, clubhouse building/room, laundry facility, fitness center, business

center, media/library room, swimming pool, and an outdoor grilling area.

The Development is located within the city of West Palm Beach, Palm Beach County, Florida. The city of West Palm Beach encompasses 55.29 square miles of land. The Development is located in the central portion of the primary market area (“PMA”). For the purposes of this analysis, the PMA is generally defined as Florida’s turnpike to the west, Atlantic Ocean to the east, Seminole Blvd to the north, and 10th Avenue North to the south.

The location and accessibility of the market area enhances its appeal and development potential. Access to the market area is good due to adequate north/south and east/west thoroughfares. Primary north/south arteries include Interstate 95 and the Florida’s Turnpike. Interstate 95 provides primary north/south access and goes as far south as Miami and as far north as the Northeastern United States. The Turnpike provides access from the Development’s PMA to northern central Florida. Primary east/west artery includes Okeechobee Blvd, which provides access to the eastern boundary of the PMA to the Florida’s Turnpike in the west. There are also many secondary arteries that provide access throughout the PMA. North Military Trail a two-way, four-lane secondary road that provides primary north/south access throughout the immediate surrounding area. All primary arteries are multi-lane and provide access to other areas of the West Palm Beach metro.

Tri-Rail is South Florida's regional commuter rail system that has been in operation since 1989. Today, Tri-Rail spans 71 miles from the Mangonia Park Tri-Rail Station in Palm Beach County to the Miami Intermodal Center in Miami-Dade County. The Mangonia Park Tri-Rail station is just three miles north of the Development.

Brightline is a private higher-speed intercity passenger rail service that currently serves three stations connecting the downtown areas of Miami, Fort Lauderdale, and West Palm Beach along the Florida East Coast railway. The Palm Beach county Brightline station is located just 1 mile east of the Development.

Palm Beach International Airport (located less than 2 miles south of the Development) provides non-stop flights to more than 34 major

destinations in the U.S., Canada, and Caribbean on 11 airlines and is only 5 minutes from downtown West Palm Beach.

Additionally, within the Development's PMA there are three major hospitals: Good Samaritan Medical Center, St. Mary's Medical Center, and JFK Medical Center.

The estimated 2021 population in the PMA is 225,335 residents. This represents a 21% increase since the 2010 census. The projected population for the PMA for 2026 is 237,947, which is an increase of 5.6% from the 2021 estimates. In the PMA, the estimated 2021 median household income is \$54,202. The 2021 estimated average household size for the PMA is 2.28 individuals per household.

The estimated 2021 senior population (age 62+) in the PMA is 54,383 residents. This represents a 13% increase since the 2010 census. The projected senior population for the PMA for 2026 is 57,431, which is an increase of 5.7% from the 2021 estimates. The 2021 estimated average senior household size for the PMA is 2.32 individuals per household.

Based on BBG's research, an estimated 3,654 income and age qualified renter households currently reside within the PMA. Considering that the projected income and age qualified renter households is expected to increase when the Development finishes construction, BBG estimates a total projected income and age qualified renter households of 3,747. Since it will take 190 units for the Development to stabilize, BBG estimates a capture rate of 5.07%.

BBG surveyed five senior affordable comparables. Occupancy rates for the senior affordable comparables ranged from 97% to 100% with an average occupancy of 99%. BBG also surveyed six market rate comparables. Occupancy rates for the market rate comparables ranged from 91% to 98% with an average of 95.8%. The weighted average occupancy for all of the comparables is 96.7%.

BBG has reconciled to 10 units per month absorption rate for the units during preleasing, which will begin fourteen months before completion. The rehabilitation is anticipated to occur one building at a time and only keep current residents that qualify for the expected

restricted age and income limits which is expected to be about 50 residents in total. As previously noted, completion of construction is to occur by December 2022. As such, it is estimated that approximately 190 units (95%) will be leased upon completion as a result of leasing and pre-leasing efforts with stabilization occurring by December 2022.

Environmental Report: First Housing reviewed a Phase I Environmental Site Assessment (“ESA”), dated May 19, 2021, prepared by AEI Consultants (“AEI”). The Phase I ESA was completed in conformance with the scope and limitations of ASTM Practice E 1527-13, the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312), and the Federal Housing Administration (FHA) Multifamily Accelerated Processing Guidelines.

Based on the ESA, no Recognized Environmental Condition (“REC”) were identified in connection with the Development. The assessment has identified the following other environmental considerations:

- During the site reconnaissance, presumed suspect Asbestos Containing Materials (“ACM”) included but were not limited to drywall systems, ceiling materials, flooring materials, insulation, caulking, siding, and roofing materials. Prior to commencing rehab activities, a thorough asbestos survey to identify ACM is required. In addition, AEI recommends contracting with an asbestos abatement contractor prior to any demolition or renovation activities in order to properly remove and dispose of any identified or suspect ACMs. For any identified or suspect materials to be left in place and/or undisturbed by the upcoming rehabilitation activities, AEI recommends implementing an Asbestos O&M Plan to manage the identified and/or observed suspect ACMs in-place at the Development. The O&M Plan stipulates that the assessment, repair, and maintenance of damaged materials be performed to protect the health and safety of the building occupants.
- Due to the age of the buildings, which were constructed in 1972, there is a potential that LBP is present. During the site reconnaissance, damaged painted surfaces were observed in down units located within the Development. AEI recommends that the property owner consult with a certified Lead Risk

Assessor to determine options for control of possible LBP hazards.

- Radon sampling was not requested as part of this assessment. The radon level for the area is Zone 3, which has a predicted average indoor screening level below the action level set forth by the US EPA. As part of the HUD MAP Guide, the rehabilitation should follow radon mitigation standards for multifamily buildings and post-rehab testing must be performed after rehab activities are complete.
- An improved area of the Development consisting of the southern property driveway is located within the 100-year floodplain. Additionally, as part of the proposed rehabilitation plan for the site, repair of the asphalt in two areas within this portion of the driveway will occur, as well as replacing the header curb on either side of the driveway at its connection with Executive Center Drive. As such, AEI recommends completing the modified 8-Step Process in order to achieve compliance with 24 CFR Part 55 and Executive Order 11988 "Floodplain Management".
- AEI recommends completion of STC calculations as required by Section 51.104(a) to demonstrate that interior levels do not exceed the established 45 dB level.

First Housing received a Report of NESHAP Pre-Renovation Survey, Sampling and Evolution of Asbestos-Containing Materials, dated September 28, 2020, prepared by Greenfield Environmental, Inc. ("GE"). The pre-renovation asbestos survey and laboratory analysis conducted at the Christian Manor indicated that twenty-three (23) of the accessible materials sampled were found to contain asbestos in amounts greater than one (1) percent. These materials are two (2) types of friable (Regulated) materials in the form of popcorn ceiling texture and a vinyl floor sheeting with mastic and twenty-one (21) types of Category I non-friable materials in the form of eighteen (18) types of vinyl flooring with mastic, two (2) types of floor mastic and a sink mastic. In addition, seventeen (17) materials are assumed to be asbestos containing materials due to the inability to destructively sample the materials. The materials assumed to be asbestos containing are a friable

(Regulated) vinyl floor sheeting and sixteen (16) types of Category I non-friable materials in the form of thirteen (13) types of ceramic tile, two (2) types of mirror mastic and all roof finishes present throughout the facility. These asbestos containing materials must be properly removed by a Florida Licensed Asbestos Abatement Contractor prior to renovation activities that will impact the materials. If any building materials not sampled as part of this survey are to be impacted during renovation activities, they must be evaluated prior to any disturbance. Receipt of an Asbestos O&M Plan is a condition to close.

First Housing received a HUD Criteria Lead-Based Paint Survey, dated September 22, 2020, prepared by GE. The lead-based paint survey was performed utilizing a Niton XRF series lead analyzer. One thousand four hundred fifty-nine (1,459) sample points were assessed with the XRF unit. HUD/EPA defines lead-based paint as coatings where the concentration of lead is equal to or greater than either 1.0 milligram of lead per square centimeter of surface area (1.0 mg/cm²) when tested by XRF or 0.5% by weight when analyzed by laboratory methods. OSHA does not have a definition of lead-based paint. OSHA addresses lead that can become airborne if coatings containing any concentration of lead are disturbed during construction activities. Based on the Niton results, lead-based paint is not present on any of the sampled components. Select wall, baseboard, door component, wall trim, stairwell component and window component surfaces at the structures were found to have lead-containing paint, in which OSHA lead regulations do apply for personnel that will conduct any potential renovation operations.

To comply with OSHA lead regulation 29 CFR 1926.62, the report should be made available to personnel that will conduct renovation operations at the Development. This regulation considers coatings that contain measurable amounts of lead to be lead-based paint and mandates protective measures when a construction/painting or demolition project involves the disturbance of painted components in such a way as to cause airborne emissions of lead particulates (sanding, scraping, grinding, etc.). These protective measures include: hazard communication training, personnel protection (respirators, protective suits, etc.), engineering controls and personnel air monitoring until results of the personnel monitoring indicate airborne lead

concentrations below the Action Level of 30 micrograms per cubic meter as an eight-hour Time Weighted Average.

Since radon, the 8-step process, and a noise study are all part of HUD's requirements. First Housing assumes these items will be substantially completed prior to closing.

**Capital Needs
Assessment:**

First Housing reviewed a Capital Needs Assessment Report, dated December 2, 2020 and revised on August 6, 2021, as prepared by GLE. The Development is an existing apartment complex with 200 units originally constructed in 1972. The Development includes four (4) three-story apartment buildings and one (1) one-story clubhouse building. At the time of the inspection, the property was in poor condition and the level of preventive maintenance did not appear to be appropriate. The existing property does not currently include fully accessible or audio/visual units nor does the property currently meet all of FHFC's RFA requirements.

GLE's recommendations include but are limited to: a mold survey as mold was observed throughout the buildings, new energy star roofing materials, new energy star windows, new PTAC units, provide an emergency generator, provide new fixtures, flooring, appliances, etc. GLE estimated immediate repairs at \$57,200, critical repairs at \$2,523,083, and deferred maintenance repairs at \$2,943,663. Pricing associated with GLE's recommendation's totals \$5,523,946 or \$27,620 per unit.

According to the report, the inflated reserves total \$1,601,941 or \$534 per unit per year.

Plan and Cost Review:

First Housing received a draft PCR, dated August 5, 2021, prepared by GLE. Receipt of a final PCR is a condition to close. The project consists of renovations to four three-story apartment buildings and a one-story leasing office/community center building. A community area, computer room, conference room, file/work room, mechanical rooms, community kitchen, employee lounge, restrooms and offices are located in the leasing office/community space building.

The project design is in general conformance with 2020 Florida Building Code, 2010 Florida accessibility Code, Section 504 of the Rehabilitation Act of 1973 ("Section 504") and Titles II and III of the

Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.

There are 10 units that will meet the mobility impaired requirements of Section 504, and four units which are designed to have communication features for the hearing and visually impaired. The construction documents are generally satisfactory and sufficiently complete to renovate the buildings.

GLE has compared the plans and specifications provided by the Developer with the Capital Needs Assessment report, dated December 2, 2020 and revised August 6, 2021, prepared by GLE. The recommendations noted within the Capital Needs Assessment report are included in the construction documents. That said, it was reported that a mold survey will be completed post renovation.

The cost of the project is \$16,381,341 and has a projected cost of \$81,906.70 per unit, based on the Schedule of Values provided to GLE. It is GLE's opinion that the cost is within an acceptable range as compared to similar type projects.

An email from the General Contractor indicates that not more than one entity will receive more than 20% of the overall contract amount. An email from the General Contractor was provided indicating that a project superintendent will be assigned to manage the project full time and will be employed by the General Contractor. An email from the General Contractor was provided indicating that if a job trailer is needed for the project the cost of a job trailer will be included in the general conditions.

Features, Amenities &
Resident Programs:

The Applicant committed to provide certain features and amenities which are listed in Exhibit 3 of this report. The features and amenities will be verified by the construction inspector during construction of the Development.

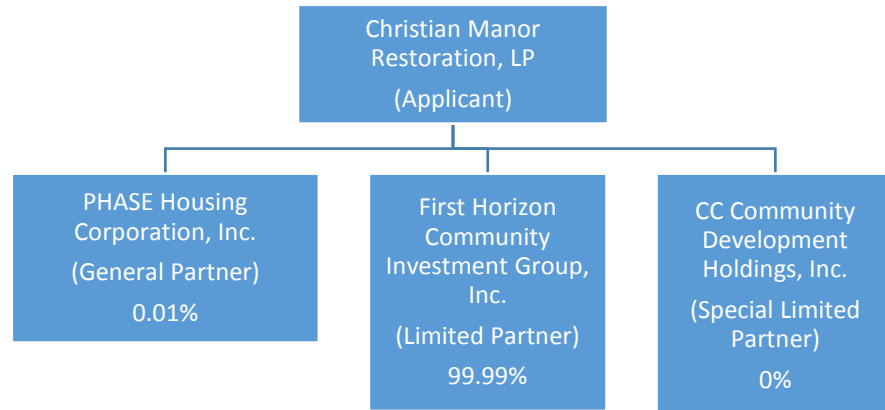
Applicant Information

Applicant: Christian Manor Restoration, LP

EIN: 85-1767107

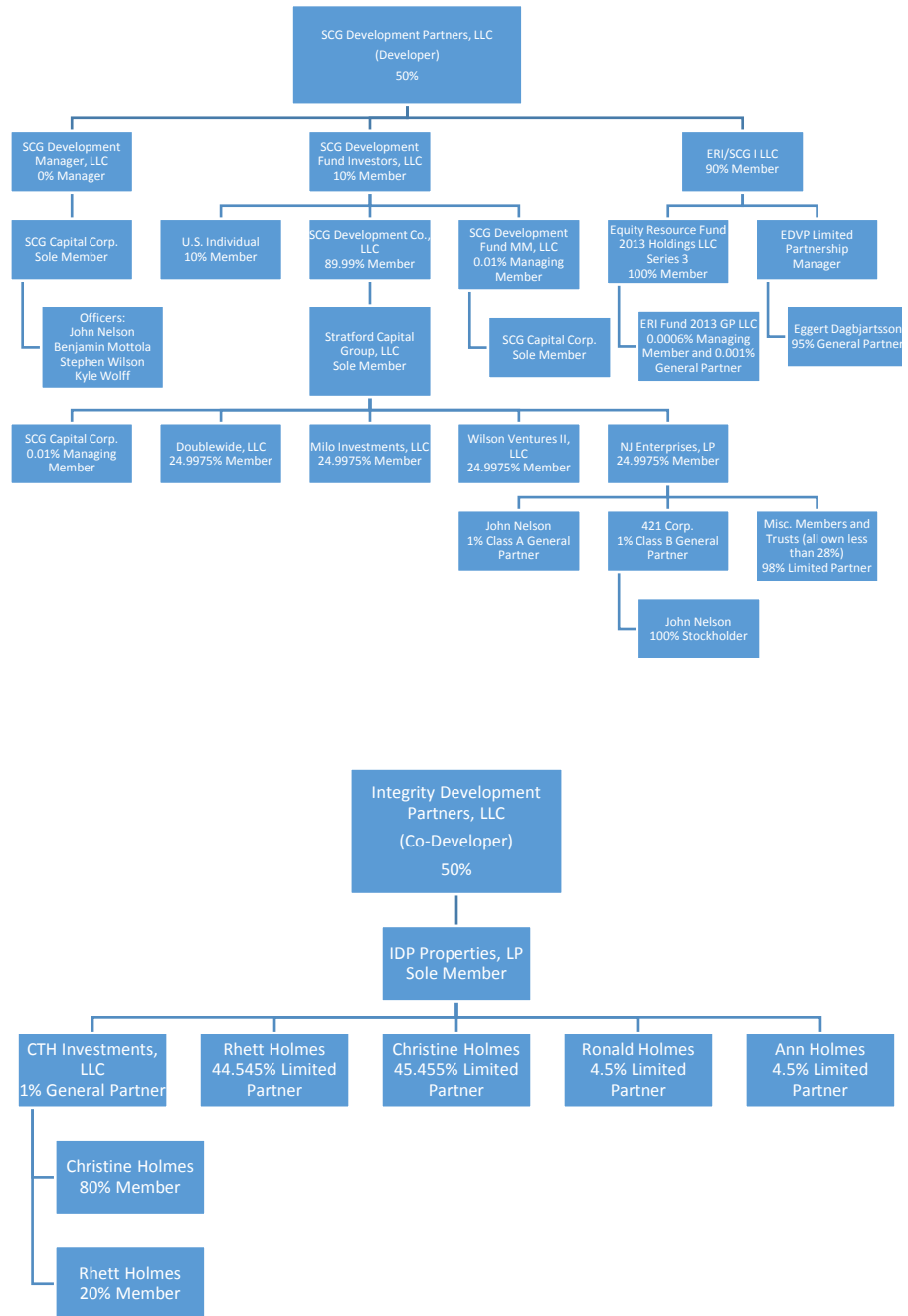
Type: A Florida Limited Partnership

Ownership Structure:



The Applicant was formed on December 11, 2019, to acquire, rehabilitate, and operate the Development. The General Partner, with 0.01% interest in the Applicant, is PHASE Housing Corporation, Inc., a Florida Not For Profit Corporation formed on February 25, 2019. First Housing verified that the Applicant and General Partner have an active status in Sunbiz. The Co-Developers are SCG Development Partners, LLC and Integrity Development Partners, LLC. First Housing received a draft Co-Developer Agreement, which indicated the Developer Fee is split 50/50. Receipt of an executed Co-Developer Agreement is a condition to close.

Co-Developers:



Contact Person:

Steve Brooks

123-B.N. Patterson Street

Valdosta, GA 31601

229-219-6763 Telephone

sbrooks@idpproperties.com Email

Experience: The Applicant was created to rehabilitate, own, and operate the Development, but has no development experience. The development experience lies with the General Partner and Co-Developers.

PHASE Housing Corporation, Inc. was formed not only to acquire and develop affordable housing communities, but also expand and enhance affordable housing services for its residents. PHASE Housing Corporation, Inc. purchased the Development on June 25, 2019.

SCG Development is a privately held real estate development firm focused on creating quality affordable and workforce rental residences. Their portfolio consists of over 60 properties with 5,570 apartment units across 12 states. SCG Development specializes in new construction, adaptive re-use of historic buildings, and acquisition/rehabilitation of existing apartment communities.

Integrity Development is wholly owned by IDP. Founded in 2011, IDP is headquartered in Valdosta, Georgia. IDP staff of twelve has a combined experience of over 50 years in finance, development, construction, ownership, and management. IDP has owned and developed over 5,000 multifamily units. IDP has experience with various funding sources such as Low Income Housing Tax Credits, Tax Exempt Bonds, HOME funds, CDBG funds, and more.

Credit Evaluation: Dun and Bradstreet (“D&B”) Reports are not available for Christian Manor Restoration, LP and Integrity Development Partners, LLC.

First Housing received a D&B Report for PHASE Housing Corporation, Inc., dated July 23, 2021, which revealed no bankruptcies, judgements, liens, or suits, and 1 UCC. First Housing received a D&B Report for IDP Properties, LP, dated July 23, 2021, which revealed no bankruptcies, judgements, liens, or suits, and 9 UCCs. First Housing received a D&B Report for SCG Development Partners, LLC, dated July 23, 2021, which revealed no bankruptcies, judgements, liens, suits, or UCCs.

First Housing reviewed satisfactory credit reports for Rhett Holmes and Christine Holmes, dated July 23, 2021.

Bank and Trade

References:

First Housing received a letter indicating Christian Manor Restoration, LP is a newly-formed, single purpose entity and does not have bank and trade references. First Housing received a satisfactory trade response and satisfactory bank statements for PHASE Housing Corporation, Inc. First Housing received satisfactory trade references and a satisfactory bank statement for Integrity Development Partners, LLC. First Housing received satisfactory trade references and a satisfactory bank statement for IDP Properties, LP. First Housing received two satisfactory trade references and a satisfactory bank statement for Rhett Holmes. First Housing received a letter stating that Christine Holmes does not directly contact any vendors and all of her activities are conducted through IDP Properties, LP. First Housing received satisfactory bank statements for Christine Holmes. First Housing received a satisfactory trade reference and a satisfactory bank statements for SCG Development Partners, LLC.

Financial Statements:

First Housing received a letter stating Christian Manor Restoration, LP is a newly-formed, single purpose entity and does not have financial statements. According to the Statement of Financial Affairs form, Christian Manor Restoration, LP does not have contingent liabilities.

First Housing has reviewed the following satisfactory financial statements:

PHASE Housing Corporation, Inc. Audited Financial Statement December 31, 2020	
Cash - operations	\$110,969
Total Assets	\$3,226,584
Total Liabilities	\$3,272,749
Total Equity	(\$46,165)

First Housing received the 2019 and 2020 Form 990 for PHASE Housing Corporation, Inc. Based on the Statement of Financial Affairs form, Phase Housing Corporation, Inc. does not have any contingent liabilities.

Integrity Development Partners, LLC Unaudited Financial Statement June 30, 2021	
Total Liquidity	\$2,787,876
Total Assets	\$9,208,036
Total Liabilities	\$2,764,787
Total Equity	\$6,443,249

First Housing received a statement indicating Integrity Development Partners, LLC is a 100% owned subsidiary of IDP Properties, LP and does not file its own tax returns. Based on a schedule, dated June 30, 2021, Integrity Development Partners, LLC has total operating deficit guarantees of \$6,036,694, total construction loan guarantees of \$44,807,001, and total other contingent liabilities of \$19,231,047.

IDP Properties, LP Unaudited Financial Statement June 30, 2021	
Cash	\$3,778
Total Assets	\$3,550,828
Total Liabilities	\$0
Total Equity	\$3,550,828

First Housing received 2018 and 2019 tax returns for IDP Properties, LP along with the 2020 extension. Based on a schedule, dated June 30, 2021, IDP Properties, LP and Subsidiaries have a total operating deficit guarantees of \$5,286,780, total construction loan guarantees of \$13,585,000, and total other contingent liabilities of \$47,508,327.

Rhett J. Holmes Unaudited Personal Financial Statement June 30, 2021	
Cash and Cash Equivalents	\$4,975
Total Assets	\$8,787,474
Total Liabilities	\$866,317
Total Equity	\$7,921,157

Christine T. Holmes Unaudited Personal Financial Statement June 30, 2021	
Cash and Cash Equivalents	\$127,262
Total Assets	\$10,389,938
Total Liabilities	\$66,417
Total Equity	\$10,323,521

First Housing received 2018 individual tax returns and 2019 tax joint returns for Rhett and Christine Holmes, along with their joint 2020 extension. Based on a schedule, dated June 30, 2021, Rhett Holmes has total operating deficit guarantees of \$5,286,780, total construction loan guarantees of \$13,585,000 and total other contingent liabilities of \$50,925,954. Based on a schedule, dated June 30, 2021, Christine Holmes has total other contingent liabilities of \$25,224,165.

SCG Development Partners, LLC & Subsidiaries Audited Financial Statement December 31, 2021	
Cash	\$7,443,864
Total Assets	\$161,235,834
Total Liabilities	\$91,411,533
Total Equity	\$69,824,301

First Housing received 2018 and 2019 tax returns for SCG Development Partners, LLC, along with the 2020 extension. Based on a schedule, dated December 31, 2020, SCG Development Partners, LLC has approximately \$152,772,133 of tax credit liability and \$7,492,684 in operating reserves.

Financial Affairs:

First Housing received a Statement of Financial Affairs, dated May 21, 2021, which indicates that Rhett Holmes, an affiliate of the Co-Developer, has been a guarantor on five deals that were involved in loan workouts which included seeking bankruptcy protection as a strategy to maintain ownership and a deed in lieu of foreclosure. Four out the five properties were able to fulfill their affordability requirements and loans were repaid in full. The one deal that negotiated a deed in lieu of foreclosure was able to fulfill the remaining affordability period. First Housing is not aware of any other arrearages or material defaults outstanding at this time.

Summary: Based upon its review of the Financial Statements and Schedule of Contingent Liabilities, First Housing concludes that the General Partner and Co-Developers have the requisite financial strength to rehabilitate and operate the Development.

Guarantor Information

Guarantor Name: Christian Manor Restoration, LP, Phase Housing Corporation, Inc., Integrity Development Partners, LLC, IDP Properties, LP, Rhett Holmes, Christine Holmes, and SCG Development Partners, LLC.

Nature of the Guarantees: The Guarantors will sign standard HFAPBC Construction Completion, Recourse Obligation, Fee Guaranty and Environmental Indemnity Agreement, and Operating Deficit Guaranty. The Construction Completion Guaranty will be released upon 100% lien free completion as approved by the Servicer.

For the MRB, Guarantors are to provide the standard HFAPBC Operating Deficit Guaranty to be released when the Development achieves a 1.15x debt service coverage on the MRB as determined by the Servicer, 90% occupancy, and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

Financial Statements: Financial Statements for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Contingent Liabilities: Contingent Liabilities for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Summary: Based upon review of the financial statements and contingent liabilities, First Housing concludes that the above referenced Guarantors have sufficient net worth for the purpose of collateralizing the HFAPBC Guarantees.

General Contractor Information

General Contractor: NEI General Contracting, Inc.

Type: A Foreign Profit Corporation

Contact: Pieter Bockweg
2707 Rew Circle
Ocoee, FL 34761
305-496-0908 Telephone
pbockweg@neigc.com Email

Experience: First Housing received a Florida Certified General Contractor License Number CGC1521796 valid through August 31, 2022 for Richard Ionelli.

Since 1998, NEI has provided a full spectrum of general contracting and construction management services to the construction market. NEI has completed over \$1 billion in construction projects spanning a wide variety of types and programs such as residential, historic conversions, moderate rehabilitations, and institutional projects. NEI has completed \$440.5 million or 5,200 units of moderate rehab work across the country.

P&P Bond: A 100% P&P Bond will be provided and is a contingency to this report in order to secure the construction contract between the GC and the Applicant.

Credit Evaluation: First Housing reviewed a satisfactory credit report, dated March 9, 2021, for NEI.

Bank and Trade
References: First Housing received a satisfactory bank statement and satisfactory trade references for NEI.

Financial Statements: First Housing was provided with 2020 audited financial statements for Northeast Consolidated Group, of which, NEI is a subsidiary. A summary of the 2020 audited financial statements follows:

Northeast Consolidated Group Audited Financial Statement December 31, 2020	
Cash and Cash Equivalents	\$12,911,221
Total Assets	\$77,328,555
Total Liabilities	\$62,915,097
Total Equity	\$14,413,458

Summary:

First Housing recommends that NEI General Contracting, Inc. be accepted as the General Contractor for the rehabilitation of the Development.

Syndication Information

Syndicator Name: First Horizon Community Investment Group, Inc.

Contact Person: Amanda L. Ward
165 Madison Avenue, 1st Floor
Memphis, TN 38103
901-523-4861 Telephone
ALWard@firsthorizon.com Email

Experience: The mission of the First Horizon, a subsidiary of First Horizon Bank, is to help further the development, financing, and availability of affordable housing to meet the needs of communities they serve throughout the Southeast. They can take a development from conception to closing and remain involved as needed throughout the 15-year compliance period. Not only do they assist in building homes, they also build long-term relationships. Whether working with a developer, a church, or a community, they will do what it takes to ensure the development is economically viable for the future.

Financial Statements:

First Horizon Corporation Unaudited September 30, 2021 (in Thousands)	
Cash and Cash Equivalents	\$1,197,000
Total Assets	\$88,537,000
Total Liabilities	\$80,005,000
Equity	\$8,532,000

Summary: First Horizon has the experience and financial strength to successfully serve as the Syndicator for this transaction.

Property Management Information

Management

Company: Integrity Management Company, LLC

Contact:

Steve Brooks
123-B.N. Patterson Street
Valdosta, GA 31601
229-219-6763 Telephone
sbrooks@idpproperties.com Email

Experience:

Integrity Management Company, LLC is wholly owned by IDP Properties, LP. Founded in 2011, IDP is headquartered in Valdosta, Georgia. IDP's staff of twelve has a combined experience of over 50 years in finance, development, construction, ownership, and management. IDP has owned and developed over 5,000 multifamily units. IDP has experience with various funding sources such as Low Income Housing Tax Credits, Tax Exempt Bonds, HOME funds, CDBG funds, and more. Integrity Management Company, LLC has 11 affordable multifamily housing developments located in Georgia and Missouri.

Management Agreement:

The Applicant has submitted a Management Agreement, dated June 1, 2020, which reflects a management fee of the greater of 4% of gross revenue collected per month, \$35 per occupied unit per month, or \$1,500 per month. Additionally, an on-site technology fee of \$250 per month will be due.

Management Plan:

The Applicant submitted a Management Plan, which outlines the roles and responsibilities of the management agent.

Summary:

Integrity Management Company, LLC has an acceptable amount of experience in the management of affordable multifamily housing. Florida Housing Finance Corporation's Asset Management Department will need to approve the selection of the management company for the Development prior to loan closing as the Development will undergo rehabilitation and has occupied units. Continued approval is subject to ongoing satisfactory performance.

15-Year Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$2,147,952	\$2,190,911	\$2,234,729	\$2,279,424	\$2,325,012	\$2,371,513	\$2,418,943	\$2,467,322	\$2,516,668	\$2,567,001	\$2,618,342	\$2,670,708	\$2,724,122	\$2,778,605	\$2,834,177
	Other Income															
	Miscellaneous	\$30,000	\$30,600	\$31,212	\$31,836	\$32,473	\$33,122	\$33,785	\$34,461	\$35,150	\$35,853	\$36,570	\$37,301	\$38,047	\$38,808	\$39,584
	Gross Potential Income	\$2,177,952	\$2,221,511	\$2,265,941	\$2,311,260	\$2,357,485	\$2,404,635	\$2,452,728	\$2,501,782	\$2,551,818	\$2,602,854	\$2,654,911	\$2,708,010	\$2,762,170	\$2,817,413	\$2,873,761
	Less:															
	Physical Vac. Loss Percentage: 4.00%	\$87,118	\$88,860	\$90,638	\$92,450	\$94,299	\$96,185	\$98,109	\$100,071	\$102,073	\$104,114	\$106,196	\$108,320	\$110,487	\$112,697	\$114,950
	Collection Loss Percentage: 1.00%	\$21,780	\$22,215	\$22,659	\$23,113	\$23,575	\$24,046	\$24,527	\$25,018	\$25,518	\$26,029	\$26,549	\$27,080	\$27,622	\$28,174	\$28,738
Total Effective Gross Income		\$2,069,054	\$2,110,435	\$2,152,644	\$2,195,697	\$2,239,611	\$2,284,403	\$2,330,091	\$2,376,693	\$2,424,227	\$2,472,712	\$2,522,166	\$2,572,609	\$2,624,061	\$2,676,542	\$2,730,073
EXPENSES:	Fixed:															
	Real Estate Taxes	\$38,603	\$39,761	\$40,954	\$42,183	\$43,448	\$44,751	\$46,094	\$47,477	\$48,901	\$50,368	\$51,879	\$53,436	\$55,039	\$56,690	\$58,391
	Insurance	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$173,891	\$179,108	\$184,481	\$190,016	\$195,716	\$201,587	\$207,635	\$213,864	\$220,280	\$226,888
	Variable:															
	Management Fee Percentage: 4.00%	\$82,762	\$84,417	\$86,106	\$87,828	\$89,584	\$91,376	\$93,204	\$95,068	\$96,969	\$98,908	\$100,887	\$102,904	\$104,962	\$107,062	\$109,203
	General and Administrative	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715	\$60,476	\$62,291	\$64,159	\$66,084	\$68,067
	Payroll Expenses	\$220,000	\$226,600	\$233,398	\$240,400	\$247,612	\$255,040	\$262,692	\$270,572	\$278,689	\$287,050	\$295,662	\$304,531	\$313,667	\$323,077	\$332,770
	Utilities	\$394,000	\$405,820	\$417,995	\$430,534	\$443,450	\$456,754	\$470,457	\$484,570	\$499,107	\$514,081	\$529,503	\$545,388	\$561,750	\$578,602	\$595,960
	Marketing and Advertising	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	\$2,688	\$2,768	\$2,852	\$2,937	\$3,025
	Maintenance and Repairs/Pest Control	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392	\$138,423	\$142,576	\$146,853	\$151,259
	Grounds Maintenance and Landscaping	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598	\$34,606	\$35,644	\$36,713	\$37,815
	Reserve for Replacements	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$106,800	\$110,004	\$113,304	\$116,703	\$120,204	\$123,810
Total Expenses		\$1,164,165	\$1,195,059	\$1,226,862	\$1,259,603	\$1,293,309	\$1,328,008	\$1,363,731	\$1,400,506	\$1,438,367	\$1,477,344	\$1,520,676	\$1,565,287	\$1,611,217	\$1,658,503	\$1,707,188
Net Operating Income		\$904,889	\$915,377	\$925,782	\$936,094	\$946,302	\$956,395	\$966,361	\$976,187	\$985,860	\$995,367	\$1,001,490	\$1,007,322	\$1,012,845	\$1,018,039	\$1,022,885
Debt Service Payments																
First Mortgage - Greystone/FHA/HUD		\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981	\$746,981
Second Mortgage - FHFC - SAIL		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Third Mortgage - FHFC - ELI		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - PHASE Housing Corporation, Inc.		\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455	\$13,455
First Mortgage Fees - Greystone/FHA/HUD/HFAPBC Fees		\$73,209	\$72,618	\$72,008	\$71,380	\$70,734	\$70,068	\$69,382	\$68,675	\$67,948	\$67,199	\$66,427	\$65,632	\$64,814	\$63,971	\$63,103
Second Mortgage Fees - FHFC - SAIL		\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560	\$11,560
Third Mortgage Fees - FHFC - ELI/Link Units		\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592
Fourth Mortgage Fees -		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$899,798	\$899,206	\$898,596	\$897,968	\$897,322	\$896,656	\$895,970	\$895,264	\$894,536	\$893,787	\$893,016	\$892,221	\$891,402	\$890,559	\$889,691
Cash Flow after Debt Service		\$5,091	\$16,171	\$27,186	\$38,126	\$48,980	\$59,739	\$70,391	\$80,923	\$91,324	\$101,580	\$108,475	\$115,101	\$121,442	\$127,480	\$133,194
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.10	1.12	1.13	1.14	1.16	1.17	1.18	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.26
DSC - Second Mortgage plus Fees		1.03	1.04	1.05	1.06	1.08	1.09	1.10	1.11	1.12	1.14	1.14	1.15	1.16	1.17	1.17
DSC - Third Mortgage plus Fees		1.02	1.03	1.05	1.06	1.07	1.08	1.10	1.11	1.12	1.13	1.14	1.15	1.15	1.16	1.17
DSC - Fourth Mortgage plus Fee		1.01	1.02	1.03	1.04	1.05	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.14	1.15
Financial Ratios																
Operating Expense Ratio		56.27%	56.63%	56.99%	57.37%	57.75%	58.13%	58.53%	58.93%	59.33%	59.75%	60.29%	60.84%	61.40%	61.96%	62.53%
Break-even Economic Occupancy Ratio (all debt)		94.97%	94.47%	94.00%	93.55%	93.12%	92.72%	92.33%	91.97%	91.62%	91.30%	91.11%	90.95%	90.80%	90.68%	90.57%

50% Test

Tax-Exempt Bond Amount	\$27,000,000
Less: Debt Service Reserve Funded with Tax-Exempt Bond Proceeds	\$0
Less Proceeds Used for Cost of Issuance	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$27,000,000
Total Depreciable Cost	\$26,720,459
Plus Building/Land Cost	\$12,000,000
Aggregate Basis	\$38,720,459
Net Tax-Exempt Bond to Aggregate Basis Ratio	69.73%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits. If, at the time of Final Cost Certification, the Tax-Exempt Bond amount is less than 50%, Developer Fee 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.

DEVELOPMENT**NAME: Christian Manor****DATE: November 2, 2021**

In accordance with the applicable Program Rule(s), the applicant 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 ("FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the applicant that the transaction can close within the allowed time frame. Unsatisfactory items, if any, are noted below in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
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.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	1.
4. Pre-construction analysis ("PCA"). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	Unsatis. Satis. Satis.	2.
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	N/A	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the 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.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	3.

16. Firm commitment letter(s) for any other financing sources.	Satis.	4.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	5.
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	Satis.	
24. Receipt of GC Certification	Satis.	
25. Reliance for FHDC as agent for HFAPBC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	Satis.	

1. Acceptable permits or a permit ready letter is a condition to closing.
2. Closing is conditioned upon receipt of a final PCR.
3. Closing is conditioned upon receipt of an Amended and Restated Limited Partnership Agreement.
4. Closing is conditioned upon receipt of a firm commitment from Greystone/HUD (construction and permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
5. Closing is condition upon the execution of the Cost Plus a Fee, with a Guaranteed Maximum Price Contract.

NEW ISSUE/BOOK-ENTRY ONLY

See "RATING" herein

In the opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes except that such exclusion shall not apply to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Additionally, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Bonds.

\$_____*

Housing Finance Authority of Palm Beach County, Florida
Multifamily Housing Revenue Bonds
(Christian Manor), Series 2021

CUSIP: 696513____**

Price: 100% Interest Rate: ____%

Dated: Date of Delivery**Maturity: February 1, 2025****Initial Mandatory Tender Date: February 1, 2024**

The above-captioned Bonds (the "Bonds") are being issued by the Housing Finance Authority of Palm Beach County, Florida (the "Issuer") to fund a loan (the "Loan") to Christian Manor Restoration, LP, a Florida limited partnership (the "Borrower"). The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation and equipping of a 200-unit multifamily rental housing development for the elderly to be occupied by persons of low, middle or moderate income known as Christian Manor and located at 325 Executive Center Drive, West Palm Beach, Florida 33401. The Issuer is issuing the Bonds pursuant to a Trust Indenture dated as of December 1, 2021 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The Issuer will loan the proceeds of the Bonds to the Borrower pursuant to the terms of a Loan Agreement dated as of December 1, 2021 (the "Bond Loan Agreement"), between the Issuer and the Borrower.

The Bonds will be issued as fully registered bonds and when issued will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of Bonds will be made in book-entry form only in principal amounts of \$5,000 each and integral multiples thereof. Individual purchasers of Bonds will not receive certificates evidencing their interest in the Bonds. So long as the Bonds are in book-entry form only, all payments of principal of and interest on the Bonds will be made by the Trustee to DTC or its successors. Disbursement of such payments from DTC to the DTC Participants (as herein defined) is the responsibility of DTC and disbursement to the holders is the responsibility of the DTC Participants. The Bonds will bear interest from their dated date, payable semiannually on February 1 and August 1 of each year, commencing August 1, 2022. Principal of the Bonds will be payable (i) at the designated corporate trust office of the Trustee upon presentation and surrender of the Bonds as the same become due and (ii) upon the request of any registered owner of Bonds on the applicable Record Date (as defined in the Indenture) having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds.

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on February 1, 2024 (the "Initial Mandatory Tender Date"). All Holders must tender their Bonds for purchase on the Initial Mandatory Tender Date. The

Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. See "THE BONDS – Mandatory Tender of Bonds" herein. The Bonds are not subject to optional redemption prior to the Initial Mandatory Tender Date. In addition, the maturity of the Bonds may be accelerated upon the occurrence of certain events as described herein. See "APPENDIX B – DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Acceleration" herein.

At all times the Bonds will be secured by Permitted Investments (as defined herein) sufficient to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the Initial Mandatory Tender Date.

THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OF FLORIDA (THE "STATE") OR ANY LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

This cover page contains only a brief description of the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors must read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Issuer, subject to approval of their legality by Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel Coleman Talley LLP, Jacksonville, Florida, for the Issuer by its counsel, Greenspoon Marder LLP, West Palm Beach, Florida and by Greenberg Traurig, P.A., West Palm Beach, Florida, Disclosure Counsel and for the underwriter named below, Stifel, Nicolaus & Company, Incorporated, by its counsel, Tiber Hudson LLC, Washington, D.C. The Bonds are expected to be available for delivery in New York, New York through the facilities of DTC on or about December __, 2021.

STIFEL

Dated: _____, 2021

*Preliminary, subject to change.

**A CUSIP number has been assigned by an independent company not affiliated with the Issuer and is included solely for the convenience of the owners of the Bonds. The Issuer is not responsible for the selection or uses of such CUSIP number, and no representation is made as to its correctness on the Bonds. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in part of the Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

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

Bobby “Tony” Smith
Chair

Robin B. Henderson
Vice-Chair

Tracy L. Caruso
Secretary/Treasurer

Clark D. Bennett
Member

Laurie S. Dubow
Member

Chricht B. Mixon
Member

Charles V. St. Lawrence
Member

Executive Director
David Brandt

Issuer Counsel
Greenspoon Marder LLP
West Palm Beach, Florida

Bond Counsel
Bryant Miller Olive P.A.
Tallahassee, Florida

Disclosure Counsel
Greenberg Traurig, P.A.
West Palm Beach, Florida

Trustee
U.S. Bank National Association
Fort Lauderdale, Florida

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APPENDIX A -- DEFINITIONS

APPENDIX B -- DOCUMENT SUMMARIES

APPENDIX C -- FORM OF BOND COUNSEL OPINION

APPENDIX D -- FORM OF CONTINUING DISCLOSURE AGREEMENT

This Official Statement, including the cover page hereof, is provided for the purpose of setting forth information in connection with the issuance and sale of the Bonds. No dealer, broker, salesperson or other person has been authorized by the Issuer, the Borrower or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds offered herein, nor shall there be any sale of the Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Issuer, the Borrower and other sources which are believed to be reliable, but has not been independently verified, and such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer, the Borrower or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the Borrower, or any other parties described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Issuer has not approved any information in this Official Statement except information relating to the Issuer under the captions "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION – The Issuer", and takes no responsibility for any other information contained in this Official Statement.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Official Statement contains statements, which to the extent they are not recitations of historical fact, constitute "forward looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "belief," and similar expressions are intended to identify forward looking statements. Such statements may be subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE ISSUER FOR PURPOSES OF RULE 15c2-12 ("RULE 15c2-12") ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

OFFICIAL STATEMENT

\$ _____ *

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA MULTIFAMILY HOUSING REVENUE BONDS (CHRISTIAN MANOR), SERIES 2021

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to set forth information concerning the offering and sale by the Housing Finance Authority of Palm Beach County, Florida (the “Issuer”) of its \$ _____ * Multifamily Housing Revenue Bonds (Christian Manor), Series 2021 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Resolution No. R. 79-1150 of the Board of County Commissioners of Palm Beach County, Florida (the “Board”) and Sections 2-181 through 2-191 Code of Ordinances of Palm Beach County, Florida (the “County”) (collectively, the “Act”), a Resolution of the Issuer adopted on November 12, 2021, and that certain Trust Indenture dated as of December 1, 2021 (the “Indenture”) between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”).

The Bonds are subject to mandatory tender for purchase, in whole and not in part, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on February 1, 2024 (the “Initial Mandatory Tender Date”). All Holders must tender their Bonds for purchase on the Initial Mandatory Tender Date. No Holder shall have a right to retain its Bonds. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. See “THE BONDS – Mandatory Tender of Bonds” herein.

The Bonds are being issued for the purpose of funding a loan (the “Loan”) to Christian Manor Restoration, LP, a Florida limited partnership (the “Borrower”), pursuant to the terms of a Loan Agreement dated as of December 1, 2021 (the “Bond Loan Agreement”), between the Issuer and the Borrower and held open for occupancy. The proceeds of the Loan will be used to finance a portion of the costs of the acquisition, rehabilitation and equipping of a 200-unit multifamily rental housing development for the elderly to be occupied by persons of low, middle or moderate income known as Christian Manor and located at 325 Executive Center Drive, West Palm Beach, Florida (the “Development”), as more fully described under “THE DEVELOPMENT AND THE PARTICIPANTS” herein. The Borrower’s obligations to repay the Loan will be evidenced by a Promissory Note (the “Note”) executed by the Borrower in favor of the Issuer and assigned to the Trustee. See “APPENDIX B - DOCUMENT SUMMARIES” herein for summaries of certain provisions of the Indenture and the Bond Loan Agreement.

* Preliminary, subject to change.

Greystone Funding Company, LLC, a Delaware limited liability company (the “Lender”) will make a loan (the “Lender Loan”) to provide substantial rehabilitation and permanent financing for the Development pursuant to a commitment for U.S. Department of Housing and Urban Development (“HUD”) mortgage insurance on the Lender Loan. See “THE LENDER LOAN AND OTHER FINANCING SOURCES” herein. The Borrower’s repayment obligations under the Lender Loan will be evidenced by customary loan documents and will be secured by a first-lien priority mortgage on the Development (the “Lender Mortgage” and, together with the loan documents, the “Lender Loan Documents”). In the event of conflict between the provisions of the Note, the Indenture and the Bond Loan Agreement (collectively, the “Bond Documents”), and the Lender Loan Documents, the Lender Loan Documents will control. See “SUBORDINATION TO FHA LOAN DOCUMENTS AND PROGRAM OBLIGATIONS” herein. In no event shall HUD or the Lender have any claim or lien upon the Trust Estate and funds pledged to secure the repayment of the Bonds. None of the Owners of the Bonds, the Trustee or the Issuer will have rights with respect to the Lender Loan or under the Lender Loan Documents. Furthermore, none of the Owners of the Bonds, the Trustee or the Issuer will have a (i) lien on the real estate on which the Development is located, or (ii) a lien on any funds, accounts or reserves established, disbursed, maintained and/or collected by the Lender in connection with the Lender Loan. Financing will also be provided through loans made to the Borrower by the Florida Housing Finance Corporation through the SAIL and ELI programs and the Seller Take-Back Note (as herein described) (collectively, “Subordinate Financing”).

Upon issuance of the Bonds, the Bond proceeds will be deposited into the Proceeds Account of the Project Fund. Disbursement of Bond proceeds from the Project Fund will be conditioned on the prior deposit with the Trustee of an equal amount of funds to the Collateral Fund from the Lender Loan (the “Lender Collateral Deposits”) or the Subordinate Financing.

Interest due on the Bonds to the Initial Mandatory Tender Date will be paid from earnings on funds deposited into the Project Fund and the Collateral Fund. The payment of principal of the Bonds on the Initial Mandatory Tender Date (assuming the Bonds are not remarketed on such date) will be made from funds on deposit in the Bond Fund (including the Capitalized Interest Account therein), the Collateral Fund and, in the event any amounts remain on deposit therein, in the Project Fund. If the Bonds are remarketed on the Initial Mandatory Tender Date, the principal of the Bonds will be paid from remarketing proceeds.

The Bond Fund, the Project Fund and the Collateral Fund may only be, and are required to be at all times, invested in Permitted Investments sufficient to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the Initial Mandatory Tender Date, as further described herein. Therefore, the security for the Bonds prior to the Initial Mandatory Tender Date is such Permitted Investments. The Bonds are not secured by a mortgage on the Development. See “SECURITY FOR THE BONDS” herein and “APPENDIX A – DEFINITIONS” hereto for a definition of Permitted Investments.

Under the Land Use Restriction Agreement dated as of December 1, 2021 (the “Land Use Restriction Agreement”), by and among the Issuer, the Trustee and the Borrower, the Borrower is required during the Qualified Project Period (as such term is defined in the Land Use Restriction Agreement), among other things, to lease at least 40% of the completed residential units in the Development to persons with an adjusted gross income that is at or below 60% of the median gross income for the area in which the Development is located, as further described in the Land Use Restriction Agreement. A failure to comply with certain of these requirements could result in the loss of the federal tax exemption on the Bonds retroactive to their date of issuance. See “CERTAIN BONDHOLDERS’

RISKS – Taxability of the Bonds,” “TAX MATTERS” and “APPENDIX B - DOCUMENT SUMMARIES - SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT” herein.

In addition to the restrictions imposed by the Land Use Restriction Agreement, the Development will be encumbered by certain rent and occupancy restrictions in connection with the low income housing tax credits (the “Tax Credits”) expected to be granted for the Development and in connection with the Subordinate Financing. See “THE DEVELOPMENT AND THE PARTICIPANTS – The Development -Additional Restrictive Covenants” herein.

Definitions of certain terms used herein and not otherwise defined are set forth in APPENDIX A hereto. Brief descriptions of the Issuer, the Development, the Borrower, the use of proceeds of the Bonds and the Bonds are provided below. Summaries of the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement are provided in APPENDIX B hereto. All information with respect to the Borrower, the Development and the Development participants contained in this Official Statement has been furnished by the Borrower. The descriptions and summaries of the Bond Loan Agreement, the Indenture, the Land Use Restriction Agreement and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof included in the Indenture. See “MISCELLANEOUS” herein for the availability of those documents.

THE ISSUER

General

The Issuer was created as a public body corporate and politic in accordance with the Act. The Issuer is authorized, in furtherance of the public purposes described in the Act, to finance the acquisition and rehabilitation of multifamily rental housing for persons of low and moderate income at prices or rentals they can afford.

The Issuer is composed of 7 members appointed by the Board of County Commissioners of Palm Beach County, Florida. The members of the Issuer serve for terms of four years. The current members of the Issuer and the dates on which their respective terms expire are as follows:

Name	Term Expires
Bobby “Tony” Smith ⁽¹⁾	September 2023
Robin B. Henderson	September 2022
Tracy L. Caruso	April 2025
Charles V. St. Lawrence	September 2025
Clark D. Bennett	September 2024
Laurie S. Dubow	September 2024
Chricht B. Mixon	April 2025

(1) Chair

Bonds of the Issuer

The Issuer may from time to time issue bonds as provided in the Act for the purposes set forth in the Act. Any bonds issued by the Issuer (and any interest thereon) shall not be or become an indebtedness or obligation, general or moral, of the State of Florida or any political subdivision thereof

nor be or become a pledge of the full faith and credit of the State of Florida or any political subdivision thereof, other than the Issuer. The Bonds of the Issuer as described herein are limited obligations of the Issuer payable solely from the specific sources specified in the Indenture authorizing the issuance of such Bonds. No owner of any Bond shall have the right to compel any taxing power of the State of Florida or any political subdivision thereof to pay the principal of or interest on the Bonds. The Issuer has no taxing power.

The Issuer makes no warranty or representation, whether express or implied, with respect to the Borrower or the Development or the use thereof. The distribution of this Official Statement has been duly approved and authorized by the Issuer. Such approval and authorization does not, however, constitute a representation or approval by the Issuer of the accuracy or sufficiency of any information contained herein except to the extent of the material relating to the Issuer, under the headings "THE ISSUER," "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and "NO LITIGATION - The Issuer." The offices of the Issuer are located at 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406, and its telephone number is (561) 233-3652.

THE BONDS

The following is a summary of certain provisions of the Bonds. The summary does not purport to be complete or definitive. See "APPENDIX A – Definitions" and "APPENDIX B – DOCUMENT SUMMARIES – Summary of Certain Provisions of the Indenture" attached hereto.

General

The Bonds will be dated and will bear interest from their dated date at the rate per annum, and mature in the principal amount and on the maturity date set forth on the front cover of this Official Statement. Interest on the Bonds will be payable initially on August 1, 2022 and semiannually thereafter on February 1 and August 1 of each year until maturity or earlier tender or redemption (i) by check or draft mailed to the registered owners at their addresses appearing on the registration books of the Trustee or (ii) upon the request of any registered owner of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee. Principal of the Bonds will be payable (i) at the Trust Office of the Trustee upon presentation and surrender of the Bonds as the same become due, and (ii) upon the request of any registered owner of Bonds on the applicable Record Date having an aggregate principal amount of \$1,000,000 or more, by wire transfer of immediately available funds from the Trustee. If the date of payment of principal or interest on the Bonds shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if made on the date such action was to be taken.

The Bonds will be issued in book-entry form only in denominations of \$5,000 and integral multiples thereof and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"). See "THE BONDS – Book-Entry Only System" below.

Mandatory Tender of Bonds

Initial Mandatory Tender Date. The Bonds are subject to mandatory tender for purchase in whole and not in part on the Initial Mandatory Tender Date. All Bondholders must tender their Bonds

for purchase on the Initial Mandatory Tender Date. The purchase price for the Bonds on the Initial Mandatory Tender Date shall be payable in Preference Proof Moneys by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any to the Initial Mandatory Tender Date, and shall be paid in full on such Initial Mandatory Tender Date.

Holding of Tendered Bonds. While tendered Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

Purchase of Tendered Bonds. The Trustee shall utilize the following sources of payment to pay the tender price of the Bonds not later than 2:30 p.m. Eastern Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Bonds deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase under such remarketing; (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase; (iii) amounts on deposit in the Capitalized Interest Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase; (iv) amounts on deposit in the Project Fund, if any, to pay the accrued interest, if any, on the Bonds tendered for purchase; and (v) any other Preference Proof Moneys available or made available for such purpose at the written direction of the Borrower.

Undelivered Bonds. The Bonds shall be deemed to have been tendered whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds and interest accrued thereon to the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Mandatory Tender Notice. Not less than 20 days or more than 30 days preceding a Mandatory Tender Date, the Trustee shall give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Investor Limited Partner, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

- (1) the Mandatory Tender Date and that (A) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date, (B) all Outstanding Bonds must be tendered for purchase no later than 12:00 Noon, Eastern Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Bonds;
- (2) the address of the designated office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;
- (3) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date; and
- (4) that any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Bond.

Failure to Give Notice. Neither failure to give or receive any notice of mandatory tender described above, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for with respect to such mandatory tender.

Failure to Achieve Conditions for Remarketing. In the event that the conditions required for remarketing set forth in the Indenture are not satisfied and/or the Trustee shall not have received remarketing proceeds on the Mandatory Tender Date equal to the principal amount of the Bonds Outstanding on such date, the Bonds shall be purchased in whole on the Mandatory Tender Date using amounts on deposit in the Collateral Fund, the Project Fund and the Bond Fund, and, immediately following such purchase, the Bonds shall be deemed redeemed on the Mandatory Tender Date and cancelled by the Trustee.

The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Redemption of Bonds

The Bonds are not subject to optional redemption prior to the Initial Mandatory Tender Date.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borrower and the Issuer believes to be reliable, but neither the Borrower nor the Issuer take responsibility for the accuracy thereof.

The DTC will act as securities depository for the Bonds. The Bonds will be initially issued and issuable only as one fully registered Bond certificate for each maturity, registered in the name of Cede & Co. as partnership nominee of DTC. Those fully registered Bonds will be deposited with and retained in the custody of DTC.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, DTC will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book entry interests in the Bonds (book entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the book entry interest owner) is in turn to be recorded on the Direct and Indirect Participant's records. Book entry interest owners will not receive written confirmation from DTC of their purchase, but are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the book entry interest owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of book entry interest owners. Book entry interest owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in actual ownership. DTC has no knowledge of the book entry interest owners (or beneficial owners) of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the book entry interest owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to book entry

interest owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions*, and debt service payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to book entry interest owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the book entry interest owners will be the responsibility of Direct and Indirect Participants.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is not a successor securities depository), Bond certificates are required to be printed and delivered.

The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that: (i) DTC is unable to discharge its responsibilities with respect to the Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the Issuer or the beneficial owners of the Bonds. In the event that no substitute securities depository is found by the Issuer, or restricted registration is no longer in effect, Bond certificates will be delivered as described in the Indenture.

With regard to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Trustee will have no responsibility or obligation to any Direct Participant or to any Indirect Participant. Without limiting the preceding sentence, the Issuer and the Trustee will have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Direct Participant or Indirect Participant with respect to any ownership interest in the Bonds, (ii) the

* Not applicable to the Bonds.

delivery to any Direct Participant or Indirect Participant or any other person, other than Cede & Co., as nominee of DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Direct Participant or Indirect Participant or any person, other than Cede & Co., as nominee of DTC, of any amount with respect to principal of, premium, if any, or interest on, the Bonds.

SECURITY FOR THE BONDS

General

At all times the Bonds will be secured by Permitted Investments sufficient to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on February 1, 2024, the Initial Mandatory Tender Date.

Pursuant to the Indenture, the Issuer grants, bargains, sells, conveys, pledges and assigns, without recourse, unto the Trustee and its successors in trust forever, and grants to the Trustee and to its successors in trust, a security interest in, the following (such property being herein referred to as the Trust Estate): (i) all right, title and interest of the Issuer in and to all Revenues (as defined below), derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Bond Loan Agreement, other than the Unassigned Rights of the Issuer (as defined in Appendix A attached hereto), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate; (ii) all right, title and interest of the Issuer in and to the Note (other than the Unassigned Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof; (iii) any fund or account created under the Indenture except for the Cost of Issuance Fund, the Expense Fund, the Rebate Fund and the Remarketing Proceeds Account, which Remarketing Proceeds Account shall be pledged only to the Holders of the Bonds which have been remarketed pursuant to the Indenture; (iv) all right, title and interest of the Issuer in and to, and remedies under, the Bond Loan Agreement; and (v) all funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security by the Issuer or by anyone on its behalf or with its written consent to the Trustee under the Indenture for the Bonds, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture. "Revenues" means all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement.

The Bonds will not be secured by a mortgage or other security interest in the Development or by any proceeds of the Lender Loan.

Limited Obligations of the Issuer

THE ISSUER HAS NO TAXING POWER. THE BONDS SHALL NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF; AND NEITHER THE STATE NOR ANY LOCAL GOVERNMENT THEREOF SHALL BE LIABLE THEREON. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE STATE OR ANY LOCAL GOVERNMENT THEREOF SHALL BE PLEDGED TO THE PAYMENT OF

THE PRINCIPAL OF, PREMIUM (IF ANY), OR INTEREST ON THE BONDS. THE BONDS ARE PAYABLE, AS TO PRINCIPAL, PREMIUM (IF ANY), AND INTEREST, SOLELY OUT OF THE TRUST ESTATE WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

The Bond Fund

All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein), the Collateral Fund or the Proceeds Account of the Project Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent of any fees, costs or expenses described in the Indenture which are due and payable as of the Closing Date, and then to the Bond Fund. The funds on deposit in the Bond Fund shall be used by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made, whether by maturity, scheduled Interest Payment Date, Mandatory Tender Date or as a result of an early redemption of the Bonds.

The Project Fund and Collateral Fund

On the Closing Date, a portion of the proceeds of the Bonds will be deposited in the Proceeds Account of the Project Fund pursuant to the Bond Loan Agreement and the Indenture and invested in Permitted Investments. Bond proceeds will be disbursed by the Trustee, upon deposit of an equal amount into the Collateral Fund.

The Capitalized Interest Account

Amounts in the Capitalized Interest Account shall be used to pay interest coming due on the Bonds. Permitted Investments in the Capitalized Interest Account, together with the amount on deposit in the Project Fund and Collateral Fund, as invested pursuant to the Indenture, shall at all times be sufficient to pay principal and interest on the Bonds upon mandatory tender on the Initial Mandatory Tender Date.

Permitted Investments

Except as otherwise provided in the Indenture, Amounts on deposit in the Project Fund, the Collateral Fund and the Bond Fund shall be invested and reinvested at all times in Permitted Investments at the written direction of the Borrower. In the absence of investment instructions from the Borrower, the Trustee shall invest the moneys held in the Project Fund, the Bond Fund or the Collateral Fund in the investments described in part (ii) of the definition of Permitted Investments.

The following investments are "Permitted Investments" under the Indenture: any of the following obligations which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture (i)(a) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the

option of anyone other than the holder thereof and (ii) to the extent permitted in the Indenture, shares or units in any money market funds rated “Aaamf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended whose investment portfolio consist solely of direct obligations of the government of the United States of America.

Nonrecourse Liability of Borrower

The Bond Loan Agreement provides that (i) the liability of the Borrower and the General Partner under the Bond Loan Agreement shall be limited to the Trust Estate, and such amounts as may be invested in accordance with the Indenture, and the Issuer and the Trustee shall look exclusively thereto or to such other security as may from time to time be given or have been given for payment of the Bonds, and any judgment rendered against the Borrower or the Managing Member under the Bond Loan Agreement shall be limited to the Development and moneys derived from the operation of the Development, and any other security so given for satisfaction thereof, and (ii) no deficiency or other personal judgment shall be sought or rendered against the Borrower or the Managing Member or their respective successors, transferees or assigns, in any action or proceeding arising out of the Bond Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding; provided, however, that nothing contained in the Bond Loan Agreement shall limit the Issuer’s or the Trustee’s ability to exercise any right or remedy with respect to any property pledged or granted to the Issuer or the Trustee under the Bond Loan Agreement, or both, or to exercise any right against the Borrower or the General Partner, on account of any claim for fraud or deceit, and against any other person or entity on account of any claim for fraud or deceit. Notwithstanding anything in the Bond Loan Agreement to the contrary, nothing in the provisions of the Bond Loan Agreement described in this section shall limit the rights of indemnification against the Borrower and the Managing Member pursuant to the terms of the Bond Loan Agreement. Furthermore, notwithstanding anything to the contrary, the Borrower and the General Partner shall be fully liable for (1) amounts payable to the Issuer constituting Unassigned Rights of the Issuer, (2) any amount due and owing as a result of any calculation or determination which may be required in connection with the Bonds for the purpose of complying with Section 148 of the Code (including rebate liability) or any applicable Treasury regulation, (3) payment of the Issuer Fee, and (4) the indemnification and the payment obligations to the Issuer as more particularly described in the Bond Loan Agreement.

THE LENDER LOAN AND OTHER FINANCING SOURCES

Lender Loan

The Borrower will enter into the Lender Loan upon issuance of the Bonds for the acquisition, substantial rehabilitation and permanent financing of the Development pursuant to the HUD Section 221(d)(4) loan program.

Tax Credit Equity

As described under “THE DEVELOPMENT AND THE PARTICIPANTS – The Borrower and the Co-Developers – The Borrower” herein, the Investor Limited Partner(hereafter defined) will fund tax credit equity totaling approximately \$_____ when fully funded.

Subordinate Financing

Florida Housing Loans. The Florida Housing Finance Corporation is expected to fund the Florida Housing ELI Loan in the amount of \$_____ and the Florida Housing SAIL Loan in the amount of \$_____ to the Borrower to fund a portion of the costs of the Development. In addition to the foregoing, the Seller Take-Back Note described below will also be subordinate to the Loan and Lender Loan.

Seller Take-Back Note. The General Partner, who is also the seller of the Development to the Borrower, has committed to provide a taxable loan in the principal amount of \$3,000,000] as evidenced by a promissory note ("Seller Take-Back Note"). It is expected that a portion of the Seller Take-Back Note will be repaid upon final endorsement by HUD of the Lender Loan. The terms of the Seller Take-Back Note will be the same as the Lender Loan and will be payable from surplus cash from the Development in accordance with HUD guidelines.

See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds for the Development to be applied under the Indenture are estimated by the Borrower to be approximately as follows.

SOURCES:

Bond Proceeds

Lender Loan

SAIL Loan

Borrower Tax Credit Equity

Seller Take-Back Note

Total Sources of Funds:

=====

USES:

Deposit to Proceeds Account of Project Fund

Deposit to Collateral Fund⁽¹⁾

Deposit to Costs of Issuance Fund

Total Uses of Funds:

=====

⁽¹⁾ Expected earnings on the Permitted Investments allocated to the Proceeds Account in the Project Fund and the Collateral Fund in the amount of \$_____ will be received prior to the Initial Mandatory Tender Date.

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THE DEVELOPMENT AND THE PARTICIPANTS

The Development

General. The Development consists of the acquisition, rehabilitation and equipping of a 200-unit multifamily rental housing development to be occupied by persons or families of low, middle or moderate income known as Christian Manor and located at 325 Executive Center Drive, West Palm Beach, Florida 33401. The renovation of the Development is expected to begin by the end of December, [2021]. Once commenced, it is expected to be completed within __ months.

The Development will be comprised of 144 one bedroom units (approximately 537 square feet), and 56 efficiency units (approximately 427 square feet). All units will include one bathroom. A laundry room will be located on the second floor in each apartment building.

The Land Use Restriction Agreement. The Land Use Restriction Agreement will require that at all times during the Qualified Project Period, not less than 40% of the completed residential units in the Development, other than those units occupied by the Borrower or [an Affiliated Party] to the Borrower, shall be occupied (or held available for occupancy) on a continuous basis by persons or families at or below 60% of the median gross income for the area in which the Development is located.

The Borrower will agree that each individual rental unit in the Development will be rented or held for rental on a first-come, first-served basis, to the general public on a continuous basis, subject to the restrictions in the Land Use Restriction Agreement, which includes at least one person being of the age of 62. In addition, the Borrower will agree to the occupancy requirements described under this heading. See "APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT."

The Land Use Restriction Agreement will also contain provisions for verifying compliance with the terms thereof. The provisions of the Land Use Restriction Agreement discussed herein are intended, among other things, to ensure compliance with the requirements of the Code with respect to the excludability of the interest on the Bonds from gross income. Upon any breach by the Borrower of any provisions of the Land Use Restriction Agreement, the Issuer or the Trustee may (in some cases only with the consent of Lender) take such actions at law or in equity as deemed appropriate under the circumstances, including an action for specific performance of the Land Use Restriction Agreement, as described under the heading "APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT." Such a breach by the Borrower may result in interest on the Bonds being included in gross income of the holders of the Bonds for purposes of federal income taxation as described in "CERTAIN BONDHOLDERS' RISK - Taxability of the Bonds" and "TAX MATTERS."

Additional Restrictive Covenants. In connection with the Tax Credits to be allocated to the Borrower in connection with the Development, the Borrower will execute an Extended Low-Income Housing Agreement for the Development in compliance with Section 42 of the Code (the "Extended Low-Income Housing Agreement"). The Extended Low-Income Housing Agreement extends the low-income housing tax credit targeting and rent restrictions for the Development under Section 42 of the Code for at least 15 years beyond the initial 15 year compliance period, subject only to a few exceptions. The Extended Low-Income Housing Agreement will be executed by the Borrower [and the Issuer] before the end of the first year of the credit period (as defined in Section 42 of the Code) and recorded in the public

records of Palm Beach County as a covenant running with the land. The Extended Low-Income Housing Agreement for the Development will, among other things, require that at least 100% of the residential rental units in the Development must be occupied by or set aside for individuals or families whose income does not exceed 60% of the AMI for Palm Beach County, adjusted for family size in accordance with Section 142(d) of the Code.

Under the Code, the restricted use period terminates prior to its expiration date if the Development is acquired by foreclosure or deed in lieu thereof unless after foreclosure or deed in lieu of foreclosure a transfer is made to a person or entity related to the Borrower. Notwithstanding the foregoing, the Code requires that any termination of the extended use period due to foreclosure shall not permit, before the close of the three year period following such foreclosure, (i) the eviction or termination of tenancy of a tenant without cause, or (ii) any increase in the gross rent of any such units not otherwise permitted by Section 42 of the Code.

In addition, the Borrower expects to obtain the Subordinate Financing which will contain additional occupancy and other restrictive covenants required under the documents entered into in connection with such Subordinate Financing sources.

The Borrower and the Co-Developers

The Borrower. The Borrower entity was formed in December 2019 to acquire, rehabilitate and equip the Development. The General Partner of the Borrower is PHASE Housing Corporation, Inc., a Florida not-for-profit corporation formed in February 2019 (the “General Partner”), who will have a 0.01% ownership interest in the Borrower. The investor partner is [First Horizon Community Investment Group, Inc.], which will have a 99.98% interest in the Borrower (the “Investor Limited Partner”). The Special Limited Partner is CC Community Development Holdings, Inc., which will have a [0.01%] interest in the Borrower.

The Investor Limited Partner is expected to make capital contributions to the Borrower, in the aggregate amount of approximately \$15,984,246 paid in installments. The total amounts to be funded and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly, and no representation is made as to the availability of such funds.

The Co-Developers. SCG Development Partners, LLC, a Delaware limited liability company (“SCG”) is in the business of acquiring, owning and developing affordable apartment complexes. SCG was founded in 2007, and SCG and its affiliates have been involved in the development of more than 60 apartment complexes containing approximately 5,570 units in 12 states. These projects include 8 low income housing tax credit projects. The prior experience of SCG or its affiliates is no assurance that the Development will be successful.

Integrity Development Partners, LLC, a [Georgia] limited liability company (“IDP”) is in the business of acquiring, owning and developing affordable apartment complexes for 12 years. IDP was founded in 2011, and IDP and its affiliates have been involved in the development of approximately 5,000 rental units. [IDP shares like principals with the Borrower.] The prior experience of IDP or its affiliates is no assurance that the Development will be successful.

Limited Assets and Obligations of the Borrower

The Borrower has no material assets other than the Development and has covenanted not to engage in any activities unrelated to the Development. However, affiliates of the Borrower are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Development.

The obligations and liabilities of the Borrower under the Note are of a non-recourse nature and are limited to funds deposited or to be deposited under the Indenture to enable the Borrower to satisfy such obligations. Neither the Borrower nor its General Partner have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Development. Accordingly, neither the Borrower's financial statements nor those of its General Partner are included in this Official Statement.

The Contractor

The General Contractor for the Development will be NEI General Contracting, Inc. (the "Contractor"). The Contractor and its affiliates have been constructing and rehabilitating multifamily housing developments since 1998 and have constructed over \$1 billion in construction projects including 5,200 units of moderate rehabilitation work across the country. The Contractor is a foreign for profit corporation. Any previous experience of the Contractor is no assurance that the Development will be successful.

The Property Manager

The Development will be managed by Integrity Management Company, LLC, a Georgia limited liability company (the "Property Manager"). The Property Manager currently manages 11 multifamily housing projects located in Georgia and Missouri. The Property Manager has owned and developed over 5,000 multifamily units. Any previous experience of the Property Manager is no assurance that the Development will be successful.

CERTAIN BONDHOLDERS' RISKS

The following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. The Bonds are payable from the payments to be made by the Borrower under the Bond Loan Agreement and the Note and from amounts on deposit in the Project Fund and the Collateral Fund, and the projected investment earnings thereon.

Limited Security

The Bonds are special, limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture, including the Bond Fund, the Project Fund and the Collateral Fund. See "SECURITY FOR THE BONDS - Limited Obligations of the Issuer" herein. The Bonds will not be secured by a mortgage or other security interest in the Development.

Rating Based on Permitted Investments

The rating on the Bonds is based upon the Bonds being fully secured by Permitted Investments held in the Trust Estate. If one or more of such investments fail to meet the rating standards for Permitted Investments after their purchase and prior to their maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

Events of Default and Acceleration

If an Event of Default due to failure to pay the Bonds shall occur and be continuing, the Trustee, may, and upon written request of the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall, declare by notice in writing to the Issuer, the Borrower and the Rating Agency, the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately.

If an Event of Default occurs under the Bond Loan Agreement or due to the Issuer's failure to perform its obligations under the Bonds or the Indenture other than a payment obligation, and such default is not cured within 90 days after written notice thereof, the Trustee, upon written request of the Holders of not less than 100% in aggregate principal amount of the Bonds then Outstanding, shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Borrower, the Rating Agency and the Trustee, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

See "APPENDIX B - DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE" hereto.

Exercise of Legal Remedies

The ability of the Issuer to enforce its rights or exercise its remedies upon default under the Bond Loan Agreement is dependent upon regulatory and judicial actions which may be subject to discretion and delay. Under existing law and judicial decisions (including laws relating to bankruptcy), the remedies provided for under the Documents may not be readily available or may be limited.

Taxability of the Bonds

THE BONDS ARE NOT SUBJECT TO ACCELERATION OR REDEMPTION UPON ANY DETERMINATION OF TAXABILITY OF INTEREST ON THE BONDS. IN ADDITION, THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT BY REASON OF THE INTEREST ON THE BONDS BEING INCLUDED IN GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION. Such event could occur if the Borrower (or any subsequent owner of the Development) or other parties to the transaction do not comply with the provisions of the Land Use Restriction Agreement, certain other tax-related agreements executed in connection with the Bonds, and the Bond Loan Agreement, or if the transaction is deemed not to comply with requirements of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes. Under such circumstances, interest on the Bonds might become subject to federal income taxation retroactive to the date of issuance or some other subsequent date. See "APPENDIX B – DOCUMENT SUMMARIES –

SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT” and “TAX MATTERS” herein.

Future Legislation; IRS Audit

The Development, its operation and the treatment of interest on the Bonds, is subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations may not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the trust estate created under the Indenture, the Development, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents or the Bonds offered hereby.

In recent years, the IRS has increased the frequency and scope of its examination and other enforcement activity regarding tax-exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on tax-exempt bonds is subject to federal income taxation possibly retroactively to the date of issuance of the Bonds. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith, failure of the Borrower to comply with the set aside restrictions set forth in the Land Use Restriction Agreement and certain other matters. See “TAX MATTERS” herein and “APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT” hereto.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

Legislative Response to COVID 19

No assurances can be given that any federal, state or local legislation enacted, in response to the COVID 19 pandemic will not adversely affect the Borrower’s ability to collect rent and evict tenants for nonpayment of rent or otherwise operate the Development as planned. Since the Bonds are not secured by the revenues derived from the operation of the Development, such legislation if enacted should not have a material impact on the payment of debt service on the Bonds.

SUBORDINATION TO FHA LOAN DOCUMENTS AND PROGRAM OBLIGATIONS

The Bond Documents provide that the Bond Documents will be subordinate to the Lender Loan Documents. In the event of any conflict between the provisions of the Bond Documents and the Lender Loan Documents, the Lender Loan Documents will control. Enforcement of the Bond Documents will not result in any claim against the Development, any reserve or deposit required by HUD in connection with the Lender Mortgage, or the rents or other income from the Development. No assurance can be made that such provision will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes.

TAX MATTERS

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Bryant Miller Olive P.A., Tallahassee, Florida, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix C.

Section 142(d) of the Code provides an exclusion from federal income tax for interest on certain governmental obligations, such as the Bonds, the proceeds of which are used to provide financing for a “qualified residential rental project”. The Bonds shall be exempt from federal income tax if at all times during the Qualified Project Period either 20% or more of the units are set aside for tenants having incomes of 50% or less of area median gross income or 40% or more of the units are set aside for tenants having incomes of 60% or less of area median gross income.

Under the Treasury Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Treasury Regulations will, unless corrected within a reasonable period of time of not less than sixty (60) days after such noncompliance is first discovered or should have been discovered, cause loss of the tax exempt status of the Bonds as of the date of issuance of the Bonds, irrespective of the date such noncompliance actually occurred.

The Issuer has established requirements, procedures and safeguards which it believes to be sufficient to ensure the Development’s compliance with the requirements of Section 142(d) of the Code and the Treasury Regulations. Such requirements, procedures, and safeguards are incorporated into the Bond Loan Agreement and the Land Use Restriction Agreement. Additionally, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer or the Trustee can be judicially enforced in such manner as to assure compliance with Section 142(d) of the Code and therefore to prevent the loss of tax exemption of interest on the Bonds. The opinion of Bond Counsel described below relies, in part, upon certifications by the Borrower as to compliance with Section 142(d) of the Code.

Section 148 of the Code provides that interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) the investment of the proceeds of the Bonds meets certain arbitrage requirements and (b) certain “excess” earnings on such investments are rebated to the United States of America (collectively, the “Arbitrage Restrictions”). To the extent that the Arbitrage Restrictions are applicable to the Borrower, the Borrower has covenanted in the Bond Loan Agreement and the Issuer has covenanted in the Indenture, that each will comply with such restrictions. In the event of non-compliance by the Issuer, the Trustee or the Borrower with the Arbitrage Restrictions, interest on the Bonds may be taxable for federal income tax purposes from the date of issuance of the Bonds.

The Issuer and the Borrower have each covenanted to comply with certain other applicable provisions of the Code which are required as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Code includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer’s or the Borrower’s failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Borrower have covenanted in the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreement to take the actions

required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Borrower (and, except as permitted by Treasury Regulation Section 1.103(b)(6)(iii), any successor owner of the Development) with the above referenced requirements of the Code, interest on the Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, except for interest on any Bond for any period during which the Bond is held by a person who is a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of Section 147(a) of the Code. Additionally, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds or, in the case of a financial institution, that portion of the Bondholder’s interest expense allocable to interest on the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies, (iii) the inclusion of interest on Bonds in the earnings of certain foreign corporations doing business in the United States of America for purposes of a branch profits tax, (iv) the inclusion of interest on Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on Bonds by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining the taxability of such benefits.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Bonds.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUALS AND CORPORATE BONDHOLDERS. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under

certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The opinion of Bond Counsel will be delivered contemporaneously with the delivery of the Bonds substantially in the form attached hereto as APPENDIX C.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has agreed to purchase the Bonds from the Issuer at a price of one hundred percent (100%) of the principal amount thereof. The Underwriter will be paid an aggregate fee of \$_____ for underwriting the Bonds, inclusive of expenses, except for the fees and expenses of its counsel. The Bond Purchase Agreement provides that the obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions and the approval of certain legal matters by counsel.

The initial public offering prices of the Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering price stated on the inside cover of this Official Statement.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

In addition to serving as Underwriter, Stifel, Nicolaus & Company, Incorporated will also serve as Remarketing Agent in the event the Bonds are remarketed and will receive a fee for its services in connection with such remarketing, if any, of the Bonds on the Mandatory Tender Date.

RATING

The Bonds have been assigned a rating of [“Aaa”] by Moody’s Investors Service, Inc. (“Moody’s,” and in its capacity as rating agency for the Bonds, the “Rating Agency”). No assurance can be given that the rating on the Bonds will continue for any given period of time or that they will not be revised downward, suspended or withdrawn entirely by Moody’s, if in the judgment of the Rating Agency circumstances so warrant. Any such downward revision or withdrawal of the rating of the United States of America may have an adverse effect on the market price of the Bonds.

The rating assigned to the Bonds described above reflects only the view of the Rating Agency, and an explanation of the significance of such rating may be obtained from the Rating Agency at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007.

The Issuer has not assumed any responsibility either to notify the owners of any proposed change in, suspension or withdrawal of such rating subsequent to the date of this Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement (hereafter defined). Neither of them has any responsibility to contest any such revision, suspension or withdrawal.

CERTAIN LEGAL MATTERS

Bryant Miller Olive P.A., whose legal services as Bond Counsel have been retained by the Issuer, will opine on the date of issuance of the Bonds with regard to the exclusion from gross income of interest on the Bonds. See "TAX MATTERS" herein. The proposed text of the legal opinion is set forth in APPENDIX C. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery of the Bonds. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

In rendering its approving opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified.

Certain legal matters will be passed upon for the Borrower by its counsel, Coleman Talley LLP, Jacksonville, Florida, for the Issuer by its counsel, Greenspoon Marder LLP, West Palm Beach, Florida and Greenberg Traurig, P.A., West Palm Beach, Florida, Disclosure Counsel, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NO LITIGATION

The Borrower

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Borrower or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the exclusion of interest on the Bonds from the gross income, for federal income tax purposes, of the owners of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

The Issuer

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the validity or enforceability of the Bonds, the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes or the validity or enforceability of the Bonds, the Indenture, the Bond Loan Agreement, the Note, or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

CONTINUING DISCLOSURE

The Borrower has undertaken all responsibilities for any continuing disclosure to Owners of the Bonds as described below, and the Issuer shall have no liability to the Owners or any other person with respect to such disclosure. The Borrower will enter into a Continuing Disclosure Agreement dated as of December 1, 2021 (the "Continuing Disclosure Agreement") with the Trustee, acting as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Development to the Municipal Securities Rulemaking Board annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, of certain enumerated events for the benefit of the beneficial owners and Holders of any of the Bonds, pursuant to the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the "Rule"). See APPENDIX D - "FORM OF CONTINUING DISCLOSURE AGREEMENT."

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Indenture or Bond Loan Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower is a new entity and has not previously been subject to the continuing disclosure requirements of the Rule.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, the Issuer and the Owners of the Bonds upon an Event of Default under the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies provided for under the Federal Bankruptcy Code, the Bond Loan Agreement, the Land Use Restriction Agreement or the Indenture may not be readily available or may be limited.

In addition, the Bond Loan Agreement provides, and the Land Use Restriction Agreement will provide, that the payment obligations of the Borrower contained in such agreements (other than certain obligations to the Issuer and the Trustee individually and not on behalf of the Owners of the Bonds) will

be limited obligations payable solely from the income and assets of the Borrower, and that no partner of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Banking and Finance, Division of Securities, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the Issuer after December 31, 1975. Rule 69W-400.003 further provides, however, that if the Issuer in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by amounts on deposit under the Indenture and by other security discussed herein. The Bonds are not being offered on the basis of the financial strength of the Issuer. Accordingly, the Issuer, in good faith, believes that disclosure of any such default on bonds with respect to which the Issuer was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor in the Bonds.

ESCROW VERIFICATION REPORT

Causey Demgen & Moore P.C., certified public accountants (the "Verification Agent"), concurrently with the issuance of the Bonds, will deliver to the Underwriter its verification report indicating that it has verified the arithmetical accuracy of certain computations provided by the Underwriter relating to the computation of forecasted receipts of principal and interest on the obligations and certain cash deposited as security for the Bonds, and the forecasted payments of principal and interest to pay the Bonds at their redemption or maturity dates. All such computations have been based solely upon assumptions and information supplied by the Underwriter. The Verification Agent restricted its procedures to verifying the arithmetical accuracy of the computations described above and has not made any study or evaluation of the assumptions and information on which the computations are based, and the Verification Agent has not expressed any opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcomes.

MISCELLANEOUS

The foregoing summaries and explanations do not purport to be comprehensive and are expressly made subject to the exact provisions of documents referred to herein. Copies of the Indenture and the other documents referred to herein may be obtained from the Trustee. Any statements in this

Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the Owners of any Bonds.

The Issuer has not approved any information in this Official Statement except information relating to the Issuer under the captions "THE ISSUER," "NO LITIGATION - The Issuer" and "DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES" and takes no responsibility for any other information contained in this Official Statement.

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CHRISTIAN MANOR RESTORATION, LP,
a Florida limited partnership

By: PHASE Housing Corporation, Inc., a Florida
not-for-profit corporation, its General Partner

By: _____
Name: _____
Title: _____

APPENDIX A DEFINITIONS

"Act" means, collectively, the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Resolution R-70-1150 of the Board of County Commissioners of Palm Beach County and Sections 2-181 through 2-191, Code of Ordinances of Palm Beach County, Florida.

"Act of Bankruptcy" means written notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any court or other legal authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that a petition in bankruptcy, insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Borrower; provided that, if in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after commencement thereof.

"Administrative Expenses" means the Issue Fee, the Rebate Analyst Fee and the Trustee's Fee.

"Arbitrage Certificate" means the Arbitrage Certificate, dated the Closing Date, executed by the Issuer in connection with the issuance of the Bonds.

"Arbitrage Rebate Agreement" means the Arbitrage Rebate Agreement, dated as of December 1, 2021, among the Issuer, the Trustee and the Borrower in connection with the issuance of the Bonds.

"Bond" or "Bonds" means the Housing Finance Authority of Palm Beach County, Florida, Multifamily Housing Revenue Bonds (Christian Manor), Series 2021 issued, authenticated and delivered under the Indenture.

"Bond Counsel" means Bryant Miller Olive P.A., or other nationally recognized bond counsel selected by the Issuer.

"Bond Documents" means, with respect to the Bonds, the Bonds, the Indenture, the Bond Loan Agreement, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Continuing Disclosure Agreement, the Fee Guaranty and Environmental Indemnity Agreement, the Arbitrage Rebate Agreement, the Tax Certificates, the Lender Disbursement Agreement, and any and all documents executed in connection with the Bonds.

"Bond Fund" means the Bond Fund created under the Indenture.

"Bondholder" or "Holder of the Bonds" or "Holder" or "Owner of the Bonds" or "Owner" when used with respect to any Bond, means the person or persons in whose name such Bond is registered as the owner thereof on the books of the Issuer maintained at the Trust Office of the Trustee for that purpose.

"Bond Loan Agreement" or "Agreement" means the Loan Agreement, dated as of December 1, 2021, by and between the Issuer and the Borrower and any and all supplements thereto, pursuant to which the Loan is being made to the Borrower.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated December __, 2021, among the Issuer, the Borrower and the Underwriter.

"Bond Registrar" has the meaning assigned to it in the Indenture.

"Bond Service Charges" means, for any period or payable at any time, the principal of and interest on the Bonds for that period or payable at that time whether on an Interest Payment Date, due at maturity or upon redemption, Mandatory Tender or acceleration.

"Borrower" means Christian Manor Restoration, LP, a Florida limited partnership, duly organized and existing in the State of Florida, its successors and assigns.

"Borrower Costs of Issuance" means all fees, costs and expenses (other than the Issuer Costs of Issuance) incurred in connection with the issuance of the Bonds and the extension of the Loan.

"Borrower Costs of Issuance Account" means the account by that name created in the Cost of Issuance Fund pursuant to the Indenture.

"Borrower Documents" means the Bond Loan Agreement, the Note, the Proceeds Certificate, the Arbitrage Rebate Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement, the Fee Guaranty and Environmental Indemnity Agreement and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Bond Loan Agreement.

"Borrower Obligations" means the obligations of the Borrower under the Bond Loan Agreement, the Note, and the other Borrower Documents to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Bond Loan Agreement, the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer and the Trustee, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Bond Loan Agreement, the Note, the Land Use Restriction Agreement, and any of the other Borrower Documents, to perform or observe.

"Borrower Representative" means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

"Business Day" or "business day" means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, Fort Lauderdale, Florida or in the city in which the Trust Office of the Trustee, or the office of the Trustee is located, are not required or authorized by law or executive order to close for business, and (b) the New York Stock Exchange is not closed.

"Capitalized Interest Account" means the account by that name created in the Bond Fund pursuant to the Indenture.

"Cash Flow Projection" means a cash flow projection prepared by the Remarketing Agent, the Underwriter, an independent firm of certified public accountants, a financial advisory firm, a law firm or

other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Remarketing Agent and the Rating Agency, establishing the sufficiency of (a) the amount on deposit in the Project Fund, the Bond Fund and the Collateral Fund, (b) projected investment income to accrue on amounts on deposit in the Project Fund, the Bond Fund and the Collateral Fund during the applicable period and (c) any additional Preference Proof Moneys delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges and the Administrative Expenses, in each instance, when due and payable during the applicable period, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in the Indenture, (iii) a release of Preference Proof Moneys from the Capitalized Interest Account as provided in the Indenture, (iv) the purchase, sale or exchange of Permitted Investments as provided in the Indenture, and (v) the optional redemption of the Bonds as provided in the Indenture, including in the event that the Trustee intends to sell or otherwise dispose of Permitted Investments prior to maturity at a price below par.

"Closing Date" means the date of delivery of the Bonds in exchange for the purchase price thereof and shall be the same date as the Effective Date of the Lender Disbursement Agreement.

"Code" means the Internal Revenue Code of 1986, including applicable final, temporary and proposed regulations and revenue rulings applicable thereto, as amended from time to time.

"Collateral Fund" means the Collateral Fund created pursuant to the Indenture.

"Completion Certificate" means a certificate submitted by the Borrower Representative to the Issuer and the Trustee as provided in the Indenture and the Bond Loan Agreement.

"Construction Contract" means that certain construction contract executed between the Contractor and the Borrower relating to the rehabilitation of the Development, as that contract may be amended from time to time.

"Construction Draw Date" means the date on which a disbursement from the Project Fund shall be made solely to pay acquisition, rehabilitation and equipping costs of the Development.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of November 1, 2021 between the Borrower and the Dissemination Agent.

"Contractor" means the entity identified as the general contractor under the Construction Contract.

"Cost of Issuance Fund" means the Cost of Issuance Fund created pursuant to the Indenture.

"Costs of Issuance" means, collectively, the Issuer Costs of Issuance and the Borrower Costs of Issuance.

"Costs of the Development" with respect to the Development, all items permitted to be financed under the provisions of the Code and the Act.

"Default" means any Default under the Bond Loan Agreement as specified in and defined therein.

"Developer" or "Co-Developers" means Integrity Development Partners, LLC and SCG Development Partners, LLC, and their successors and assigns.

"Development" means the multifamily rental housing development for the elderly known as Christian Manor, which consists of 200 apartment units and related facilities located in West Palm Beach, Palm Beach County, Florida.

"Dissemination Agent" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America and its permitted successors and assigns as Dissemination Agent under the Continuing Disclosure Agreement.

"Dissemination Agent Fee" means a portion of the Trustee's Fee payable to U.S. Bank National Association, in its capacity as Dissemination Agent pursuant to the Continuing Disclosure Agreement.

"Documents" means and shall include (without limitation), with respect to the Bonds, the Indenture, the Bond Documents, the Borrower Documents and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may hereafter execute and deliver, to evidence or secure the Bonds and the Borrower's Obligations, or any part thereof, or in connection therewith, and any and all supplements thereto.

"Eastern Time" means the time applicable to the eastern time zone of the United States which is 5 hours behind Greenwich mean time, as adjusted for daylight savings time, as applicable.

"Effective Date" shall mean the date the Lender Disbursement Agreement is effective.

"Event of Default" or "Default" means, when used in the Indenture, those events of default or defaults specified therein and, when used in the Bond Loan Agreement, those events of default or defaults specified therein.

"Expense Fund" means the fund by that name created and established pursuant to the Indenture.

"Extension Payment" means the amount due, if any, to provide adequate additional funds for the payment of Bond Service Charges and Administrative Expenses during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Preference Proof Moneys.

"Fee Guaranty and Environmental Indemnity Agreement" means the Fee Guaranty and Environmental Indemnity Agreement dated December 1, 2021, from, jointly and severally, the Guarantors.

"Florida Housing ELI Loan" means that certain loan of \$600,000 made by Florida Housing Finance Corporation to the Borrower evidenced by a promissory note and secured by a mortgage and security agreement.

"Florida Housing SAIL Loan" means that certain loan of \$5,000,000 made by Florida Housing Finance Corporation to the Borrower evidenced by a promissory note and secured by a mortgage and security agreement.

"General Partner" means PHASE Housing Corporation, Inc., a Florida not-for-profit corporation, which is the general partner of the Borrower designated as "General Partner" by the Borrower's Operating Agreement.

"GNMA" means the Government National Mortgage Association.

"Government Obligations" means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

"Governmental Requirements" means all laws, ordinances, orders, rules or regulations of all Governmental Authorities applicable to the Development, the Issuer, the Borrower or any of the Borrower's assets or other properties, including without limitation, laws, ordinances, orders, rules and regulations relating to securities or other public disclosures, zoning, licenses, permits, subdivision, building, safety, health, and fire protection and all environmental laws.

"Guarantor" and "Guarantors" means, individually and collectively, the Borrower, the General Partner, Integrity Development Partners, LLC; SCG Development Partners, LLC; IDP Properties, LP; Rhett Holmes, Christine Holmes and SCG Development Partners, LLC, individually, together with their respective permitted successors and assigns.

"Highest Rating Category" means, with respect to Permitted Investments, that the Permitted Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below "Aaa" or "Aaa/VMIG 1" if rated by Moody's or "A-1+" or "AA+" if rated by S&P.

"HUD" means the U.S. Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement for Multifamily Projects between the Borrower and HUD, as amended or supplemented from time to time.

"Indenture" means the Trust Indenture, dated as of December 1, 2021, between the Issuer and the Trustee, and any and all Supplements thereto, authorizing the issuance of the Bonds.

"Independent" means any person not an employee or officer of the Borrower, the Guarantors or any of their affiliates.

"Initial Mandatory Tender Date" means February 21, 2024.

"Interest Payment Date" means each February 1 and August 1, beginning August 1, 2022.

"Investor Limited Partner" means Stratford Capital Group Limited Partnership, a _____ limited partnership, and its permitted successors and assigns in their capacity as the Investor Limited Partner of the Borrower.

"Issuer" means the Housing Finance Authority of Palm Beach County, Florida, a public body corporate and politic of the State of Florida, duly organized and existing under the laws of the State of Florida, including the Act, or any successor to its rights and obligations under the Loan Agreement and the Indenture.

"Issuer Costs of Issuance" means the fees, costs and expenses incurred by the Issuer in connection with the issuance of the Bonds, payable from the Issuer Costs of Issuance Account.

"Issuer Costs of Issuance Account" means the Account by that name created in the Cost of Issuance Fund pursuant to the Indenture.

"Issuer Fee" means the Issuer's fee and expenses in the amount of \$39,000 due and payable on the Closing Date and an annual fee of \$27,700 payable semimonthly in arrears on each February 1 and August 1, commencing February 1, 2022 so long as any Bonds remain outstanding and thereafter, the Authority Program Fee specified in the Land Use Restriction Agreement.

"Issuer Indemnified Party" or "Issuer Indemnified Parties" means the Issuer, the past, present and future members of the Issuer, executives, employees and agents, individually and collectively.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of the same date as the Indenture by and among the Issuer, the Trustee and the Borrower relating to the Bonds and containing certain occupancy and income restrictions on the Development required by the Code, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

"Lender" means Greystone Funding Company, LLC, and its successors and assigns.

"Lender Borrower Note" means the \$_____ Note (Multistate) dated as of December __, 2021, from Borrower to the Lender to evidence its indebtedness under the Lender Loan and endorsed by HUD.

"Lender Collateral Deposit" shall have the meaning given to such term in the Indenture.

"Lender Disbursement Agreement" means the Loan Disbursement Procedures Agreement dated as of December 1, 2021, among the Lender, the Borrower, Florida Housing Finance Corporation and the Trustee.

"Lender Loan" means the loan made by the Lender to the Borrower in the original principal amount not to exceed \$_____ pursuant to the Lender Disbursement Agreement, as evidenced by the Lender Borrower Note and secured by the Lender Mortgage.

"Lender Loan Documents" means the documents related to the Lender Loan, including the Lender Disbursement Agreement, the Lender Borrower Note, the Lender Mortgage, the HUD Regulatory Agreement and any and all other documents, agreements, or instruments which evidence or secure the indebtedness evidenced by the Lender Borrower Note.

"Lender Mortgage" means the first-lien priority Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (Florida) dated as of November 1, 2021, from Borrower for the benefit of the Lender to secure the repayment of the Lender Borrower Note.

"Loan" means the loan in the principal amount of \$_____ made by the Issuer to the Borrower evidenced by the Note, described in the Bond Loan Agreement and made in connection with the issuance of the Bonds.

"Loan Documents" shall mean the Bond Loan Agreement and the Note.

"Mandatory Tender Date" means the Initial Mandatory Tender Date and any subsequent dates for mandatory tender of the Bonds established by the Borrower with the consent of the Remarketing Agent in connection with a remarketing of the Bonds, as provided in the Indenture.

"Maturity Date" means February 1, 2025.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Trustee and the Remarketing Agent.

"Note" means the Promissory Note, dated the Closing Date, from the Borrower to the Issuer in substantially the form attached as Exhibit B to the Bond Loan Agreement, and any amendments, supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee.

"Outstanding," "outstanding" or "Bonds Outstanding" when used with respect to the Bonds means any Bonds theretofore authenticated and delivered under the Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or theretofore delivered to the Trustee for cancellation;
- (b) Bonds for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee in accordance with the Indenture; or
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture.

"Palm Beach County" means Palm Beach County, Florida, a political subdivision of the State of Florida.

"Partnership Agreement" means the Amended and Restated Partnership Agreement of the Borrower, dated December __, 2021, as it may be amended and supplemented from time to time.

"Permitted Investments" means, subject to the provisions of the Indenture, any of the following obligations which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

- (i) Government Obligations, and

(ii) to the extent permitted in the Indenture, shares or units in any money market funds rated "Aaamf" by Moody's (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended whose investment portfolio consist solely of direct obligations of the government of the United States of America.

"Person" or "person" shall include an individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

"Preference Proof Moneys" means (i) moneys drawn on a letter of credit, (ii) the sale of a GNMA security, (iii) proceeds of the Bonds (including any additional amount paid by the Underwriter to the Trustee as the purchase price of the Bonds), (iv) remarketing proceeds of the Bonds (including any additional amount paid by the Remarketing Agent to the Trustee as the remarketing price of the Bonds) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, any affiliate of either the Borrower or the Issuer); (v) a draw on the Lender's warehouse line of credit, (vi) the Lender Collateral Deposit, (vii) the proceeds of Subordinate Financing, or (viii) moneys in connection with which the Trustee shall have been delivered an opinion of bankruptcy counsel acceptable to Moody's to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code, or (ix) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period.

"Proceeds Certificate" means the Proceeds Certificate, dated the Closing Date, executed by the Borrower in connection with the issuance of the Bonds.

"Project Fund" means the Project Fund created pursuant to the Indenture.

"Qualified Project Costs" means any expenditures which (a) are incurred not more than 60 days prior to the date on which the Issuer first declared its "official intent" (within the meaning of Treasury Regulation Section 1.150-2) with respect to the Development (other than preliminary expenditures with respect to the Development in an amount not exceeding 20% of the aggregate principal amount of the Bonds); (b) are made exclusively to provide facilities and improvements that constitute part of a "qualified residential rental project" within the meaning of Section 142(d) of the Code; and (c) are properly chargeable to the Borrower's capital account under general federal income tax principles or that would be so chargeable with a proper election or but for a proper election by the Borrower to deduct such expenditure. However, "Qualified Project Costs" do not include (i) issuance costs of the Bonds (within the meaning of Section 147(g) of the Code) or (ii) any fee, charge or profit payable to the Borrower or a "related person" (within the meaning of Section 144(a)(3) of the Code). As used in the Indenture, the term "preliminary expenditures" includes architectural, engineering, surveying, soil testing and similar costs that were incurred prior to the commencement of acquisition, rehabilitation and equipping of the Development, but does not include land acquisition, site preparation and similar costs incident to commencement of renovation and equipping of the Development.

"Rating Agency" means Moody's, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency's successors or assigns, and initially means Moody's so long as Moody's is rating the Bonds.

"Rating Category" means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Permitted Investment.

"Rebate Requirement" means the amount, if any, which is to be paid to the United States of America pursuant to Section 148(f) of the Code and the Indenture or to reduce the yield on investments to the yield on the Bonds pursuant to Section 148 of the Code.

"Rebate Analyst" means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Borrower subject to the Issuer's approval and at the expense of the Borrower (payable by the Borrower). The initial Rebate Analyst shall be [U.S. Bank National Association].

"Rebate Analyst Fee" means the fee of the Rebate Analyst in an amount to be paid from the Expense Fund.

"Rebate Fund" means the Rebate Fund created pursuant to the Indenture.

"Record Date" means the 15th day of the month preceding the date on which interest is due and payable.

"Remarketing Agent" means Stifel, Nicolaus & Company, Incorporated, or any successor Remarketing Agent(s) designated in accordance with the Indenture.

"Remarketing Agreement" means the Remarketing Agreement, dated as of December 1, 2021, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"Remarketing Period" means the period beginning on a Remarketing Date and ending on the last day of the term for which Bonds are remarketed pursuant to the Indenture or the final Maturity Date of the Bonds, as applicable.

"Remarketing Proceeds Account" means the Remarketing Proceeds Account of the Bond Fund created in the Indenture.

"Requisition" means (a) the request signed by the Borrower Representative to make a disbursement from the Project Fund on a Construction Draw Date in the manner provided pursuant to the Indenture or (b) the request signed by the Borrower Representative to make a disbursement from the Costs of Issuance Fund in the manner provided pursuant to the Indenture.

"Reserve Fund" means that Repair Reserve Fund created pursuant to the Lender Disbursement Agreement and held by the Lender.

"Responsible Officer" means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the Trust Office (or any

successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

"Revenues" means, all payments paid or payable to the Trustee in accordance with the Bond Loan Agreement, the Loan and the Note and all investment earnings derived or to be derived on any moneys or investments held by the Trustee under the Indenture, but excluding (a) amounts paid as fees, reimbursement for expenses or for indemnification of any Issuer Indemnified Party and the Trustee, (b) amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer and (c) any Rebate Requirement.

"S&P" means S&P Global Ratings, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Trustee and the Remarketing Agent.

"Securities Depository" means the Depository Trust Company, its successors and assigns, or any other securities depository for the Bonds designated by the Issuer or the Borrower to the Trustee in writing.

"Seller Take-Back Note" means that subordinate note from the Borrower to [SELLER] in the principal amount of \$_____, as payment for a portion of the acquisition price of the Development.

"State" means the State of Florida.

"Subordinate Financing" means the Florida Housing ELI Loan, the Florida Housing SAIL Loan and the Seller Take-Back Note.

"Tax Certificates" means, collectively, the Arbitrage Certificate, the Arbitrage Rebate Agreement and the Proceeds Certificate.

"Trustee" means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, and authorized to exercise corporate trust powers in the State, having a corporate trust office in Fort Lauderdale, Florida and its successor or successors in the trust created by the Indenture.

"Trustee's Fee" means the ongoing compensation and expenses payable to the Trustee as follows: (a) the acceptance fee of the Trustee of \$_____ payable on the Closing Date; (b) the annual administration fees and expenses of the Trustee, as Trustee, Registrar and Paying Agent of \$_____ for the ordinary services of the Trustee rendered under the Indenture during each twelve month period, payable semiannually in advance commencing on the date of closing and thereafter on each Interest Payment Date; (c) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture as and when the same become due, including reasonable counsel fees (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, further, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; (d) for purposes of the Loan Agreement, indemnification of the Trustee by the Borrower; and (e) the annual Dissemination Agent Fee

under the Continuing Disclosure Agreement, shall be \$_____ per year, payable semiannually on each Interest Payment Date. [WHAT ABOUT REBATE ANALYST FEE?]

"Trust Estate" has the meaning given such term in the Granting Clauses of the Indenture.

"Trust Office" means the corporate trust office of the Trustee located at the address set forth in the Indenture or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

"Unassigned Rights of the Issuer" and "Unassigned Rights" means the rights of the Issuer consisting of: (a) all rights which the Issuer Indemnified Parties may have under the Indenture, the Bond Loan Agreement and other Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, directors, officials, agents or employees; (b) the right of the Issuer to give and receive notices, reports or other information, make determinations and grant approvals under the Indenture and under the Documents; (c) the right of the Issuer to give and withhold consents and approvals under the Indenture and under the Documents; (d) the right of the Issuer to receive its fees and expenses pursuant to the Bond Loan Agreement and the Land Use Restriction Agreement; (e) all rights of the Issuer not otherwise assigned to the Trustee to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly to the requirements of the Act or any requirements imposed by the Issuer with respect to the Development, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents or in any other certificate or agreement executed by the Borrower; (f) all rights of the Issuer in connection with any amendment to or modification of the Documents; and (g) all enforcement remedies with respect to the foregoing.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated.

"Verification Agent" means initially Causey Demgen & Moore, P.C., or such successor independent public accounting firm of national reputation or other firm similarly experienced in performing such computation.

"Verification Report" means the report prepared by the Verification Agent which demonstrates adequacy of funds and investment returns allocated to the various Funds created under the Indenture to provide for the payment of principal of and interest on the Bonds to the next Mandatory Tender Date or Maturity Date, as applicable.

APPENDIX B

DOCUMENT SUMMARIES

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Indenture contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Indenture to which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Indenture and such terms as used herein shall have the same meanings as so defined.

Source of Payment of Bonds

The Issuer has covenanted that it will promptly pay the principal of and the interest on the Bonds only out of (a) the Revenues pledged for the payment thereof under the Indenture, (b) the amounts held in any fund or account created under the Indenture, other than amounts held in the Rebate Fund or the Expense Fund, and (c) from any other moneys held pursuant to the Trust Estate. Nothing in the Bonds or in the Indenture shall be construed as pledging any other funds or assets of the Issuer. All the Bonds to be issued under the Indenture shall be equally and ratably secured, to the extent provided therein, by the Indenture.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, maturity, interest rate and denomination as that of the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them upon the issuance of a duplicate Bond, the mutilated, lost, stolen or destroyed Bond shall be of no further force and effect. In the event any such Bond shall have matured, instead of issuing a duplicate Bond the Trustee may pay the same without surrender thereof. The Issuer and the Trustee may charge the Holder of such Bond their expenses and reasonable fees, if any, in connection with the preparation, execution and authentication of a replacement Bond.

Registration, Negotiability, Transfer and Exchange of Bonds

All of the Bonds issued under the Indenture shall be negotiable, subject to the provisions for registration and transfer contained in the Indenture and in the Bonds. So long as any of the Bonds shall remain outstanding, the Issuer shall maintain and keep at the Trust Office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at such office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as the Issuer or the Trustee may prescribe, any Bond entitled to registration or transfer.

Each Bond shall be transferable only upon the books of the Issuer maintained for such purpose by the Trustee, at the written request of the registered Owner thereof or his attorney duly authorized in

writing, upon presentation and surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or his attorney duly authorized in writing. Upon the surrender for transfer of any Bond, the Issuer shall issue, and the Trustee shall authenticate, in the name of the transferee, in Authorized Denominations, a new Bond or Bonds without coupons of the same aggregate principal amount, series, maturity and interest rate as the surrendered Bond.

The Issuer and the Trustee shall deem and treat the person in whose name any Outstanding registered Bond shall be registered upon the books of the Issuer as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

For every exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of the Indenture to the contrary, any expenses of the Issuer or the Trustee incurred in connection therewith (except any applicable tax or other governmental charge) shall be paid by the Borrower as required by the Bond Loan Agreement. The Issuer shall not be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding an Interest Payment Date.

Funds and Accounts

The following trust funds are created by the Issuer under the Indenture to be held separately by the Trustee:

- (1) Bond Fund, and within the Bond Fund, a Remarketing Proceeds Account and a Capitalized Interest Account;
- (2) Project Fund, and within the Project Fund, a Proceeds Account, and an Equity Account;
- (3) Rebate Fund;
- (4) Expense Fund;
- (5) Collateral Fund; and
- (6) Cost of Issuance Fund, and within the Cost of Issuance Fund, an Issuer Costs of Issuance Account and a Borrower Costs of Issuance Account.

Bond Fund. All Revenues received by the Trustee, except for funds deposited in the Bond Fund (including the Capitalized Interest Account therein), the Collateral Fund or the Proceeds Account of the Project Fund on the Closing Date and any investment earnings thereon, shall be deposited, first, to the credit of the Expense Fund to the extent of any fees, costs, or expenses described under the caption

"Expense Fund" below which are due and payable, and then to the Bond Fund. For so long as the Bonds are outstanding under the Indenture, funds on deposit in the Proceeds Account of the Project Fund, the Collateral Fund or the Bond Fund (including the Capitalized Interest Account therein) shall not be deposited in the Expense Fund or otherwise used to pay fees, costs or expenses described under the caption "Expense Fund" below. The portion of any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to the Indenture designated for the payment of Bond Service Charges shall be deposited in the Capitalized Interest Account and the proceeds of any remarketing pursuant to the Indenture shall be deposited to the Remarketing Proceeds Account.

The funds on deposit in the Bond Fund shall be used by the Trustee to pay principal of and interest on the Bonds on each date a payment of principal or interest is due to be made, whether by maturity, scheduled Interest Payment Date, Mandatory Tender Date or as a result of an early redemption of the Bonds.

In the event that amounts on deposit in the Bond Fund on any Interest Payment Date, any Mandatory Tender Date, the Maturity Date or such other Bond payment date are insufficient to make the payment of principal of or interest on the Bonds when due, the Trustee shall transfer funds in the following order to the Bond Fund and use such funds, together with amounts then on deposit in the Bond Fund, to make such payments when due:

- (a) first, from amounts on deposit in the Bond Fund (other than the Capitalized Interest Account within the Bond Fund);
- (b) second, from amounts on deposit in the Capitalized Interest Account within the Bond Fund;
- (c) third, from amounts on deposit in the Collateral Fund and transferred as necessary to the Bond Fund; and
- (d) fourth, from moneys on deposit in the Project Fund and transferred as necessary to the Bond Fund.

So long as there are any Outstanding Bonds, payments due under the Note and the Bond Loan Agreement shall be deemed made by the Borrower by the Trustee's transfer of funds on each Interest Payment Date from the Capitalized Interest Account or from the Collateral Fund to the Bond Fund, in an amount necessary to pay the interest on and principal (if any) of the Bonds.

To the extent such funds are available, the funds on deposit in the Remarketing Proceeds Account shall be used for the purchase of Bonds tendered on a Mandatory Tender Date in accordance with Section 3.05(e) of the Indenture.

Project Fund. The proceeds received upon the issuance and sale of the Bonds shall be deposited in the Proceeds Account of the Project Fund. Disbursements from the Project Fund shall be made upon the receipt by the Trustee of the following and shall be used solely to pay Costs of the Development incurred in connection with the acquisition and rehabilitation of the Development: (1) a request or requests therefor executed by the Borrower and the Lender, upon a Requisition in substantially the form attached to the Indenture in the case of requisitions from the Proceeds Account and/or the Equity Account, (2) certification by a Borrower Representative that, in the case of amounts requisitioned from the Proceeds Account, such Costs of the Development are Qualified Project Costs, and (3) in the case of

requisitions from the Proceeds Account, confirmation from the Trustee that an amount equal to the requested disbursement has been received by the Trustee and deposited to the Collateral Fund in accordance with the Indenture. Notwithstanding anything to the contrary contained in the Indenture, the sum of Bond proceeds in the Project Fund plus amounts on deposit in the Collateral Fund shall at all times be at least \$_____. Together with amounts on deposit in the Proceeds Account of the Project Fund and amounts on deposit in the Capitalized Interest Account, amounts on deposit in the Bond Fund and the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds as and when they become due to the earlier of the next Mandatory Tender Date or the Maturity Date as demonstrated by the Verification Report delivered at closing, and as updated from time to time. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due.

Notwithstanding any provision of the Agreement or any other provision of the Indenture to the contrary, the Trustee shall not disburse moneys from the Project Fund, other than to pay principal and/or interest payments on the Bonds in accordance with the Indenture, unless and until the Trustee receives satisfactory evidence that a Lender Collateral Deposit and/or Subordinate Financing proceeds in an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund. Prior to making any disbursement, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund, (ii) the Capitalized Interest Account, (iii) the Project Fund and (iv) the Bond Fund, will be sufficient to pay principal of and interest on the Bonds as and when they become due to the next Mandatory Tender Date or Maturity Date, as applicable, and as demonstrated by the Verification Report delivered at closing, and as updated from time to time. Upon satisfaction of the conditions precedent set forth in this paragraph, and notwithstanding anything in the Bond Documents to the contrary, once the Lender Collateral Deposits and/or Subordinate Financing proceeds are deposited with the Trustee, the Trustee is irrevocably and unconditionally obligated to disburse an equal amount of moneys from the Project Fund in accordance with approved Requisitions.

Rebate Fund. In accordance with the provisions set forth in the Indenture, the Trustee shall deposit into the Rebate Fund amounts paid by the Borrower pursuant to the Tax Certificates. Moneys held in the Rebate Fund are not held for the benefit of the Owners and are not part of the Trust Estate. The Borrower will designate the Rebate Analyst, subject to the approval of the Issuer. As provided in the Arbitrage Rebate Agreement, the Borrower shall be responsible for causing the rebate calculations to be calculated by the Rebate Analyst and paying the Rebate Requirement. Neither the Issuer nor the Trustee shall be obligated to pay any portion of the Rebate Requirement (except from funds on deposit in the Rebate Fund). In addition, neither the Issuer nor the Trustee shall have any responsibility with respect to the calculation of the Rebate Requirement.

Any moneys held as part of the Rebate Fund and not immediately required to be paid to the United States pursuant to the Arbitrage Rebate Agreement shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Government Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Government Obligations, including any such fund maintained by the Trustee or an affiliate thereof, having maturities consonant with the need for moneys as estimated by the Borrower. In connection with the investment of moneys held as part of the Rebate Fund, the provisions of the Indenture control regarding the crediting to the Rebate Fund of interest and other income received on the investment of moneys held as part of the Rebate Fund.

As provided in the Arbitrage Rebate Agreement, the Borrower is required to (i) obtain a rebate calculation with respect to the Rebate Requirement with respect to the Maturity Date or the earlier date upon which all of the Bonds have been redeemed or defeased in a timely manner and either (ii)(A) pay to the Trustee for deposit into the Rebate Fund an amount of money as determined by such calculation within 30 days of such calculation or (B) provide the Trustee and the Issuer with written notice (signed by the Borrower Representative and the Rebate Analyst) that (1) no deposit is required or (2) the amount in the Rebate Fund is in excess of the amount required to be on deposit as determined by the most recent rebate calculation, in which case the Trustee shall, with the prior written consent of the Issuer, pay such excess over to the Borrower. If the Trustee does not receive either of the items required in (ii)(A) or (ii)(B) above within 30 days after the Maturity Date, the Trustee shall notify the Issuer; provided, however, that the Trustee shall not incur any liability if it should fail to provide such notice. The Borrower shall provide copies of all rebate calculations to the Issuer upon submission by the Rebate Analyst.

Expense Fund. The Trustee shall deposit amounts received from the Borrower for the purpose of paying Trustee's Fees, the Issuer Fee, and any other fees, costs or expenses required under the Bond Loan Agreement into the Expense Fund. The Trustee shall pay such amounts to the proper persons on the dates and in the amounts due. Amounts on deposit in the Expense Fund shall be withdrawn or maintained, as appropriate by the Trustee to pay (i) to or at the direction of, the Issuer, the Issuer Fee, (ii) to the Trustee, the Trustee's Fee, (iii) upon receipt, to the Trustee, any amounts due to the Trustee 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 Issuer, the Issuer Fee due and unpaid, other than amounts paid in accordance with clause (i) above.

Collateral Fund. Upon receipt from the Lender of the proceeds of (a) [the sale of a GNMA security,] (b) a draw on Lenders' warehouse line of credit, or (c) from funds otherwise provided by Lender (the "Lender Collateral Deposit") and/or from the proceeds of Subordinate Financing as required in the Indenture, the Trustee shall deposit such amounts to the Collateral Fund. Together with amounts on deposit in the Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Initial Mandatory Tender Date or, if a Remarketing Period extends to the Maturity Date or any Interest Payment Date prior to the Maturity Date, the Maturity Date or such Interest Payment Date, as demonstrated by the Verification Report delivered at closing, and as updated in connection with a remarketing of the Bonds. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due. On each Mandatory Tender Date, the Trustee shall transfer from the Collateral Fund a sufficient amount of funds to the Bond Fund necessary to pay the purchase price of the Bonds to the extent amounts on deposit in the Remarketing Proceeds Account and Capitalized Interest Account of the Bond Fund are insufficient therefor. Bonds purchased with moneys in the Bond Fund shall be canceled.

Allocation and Reallocation of Government Obligations Deposited to the Collateral Fund and the Project Fund. On the Closing Date, the Trustee shall allocate ownership of the Government Obligations acquired pursuant to the Indenture and deposited for the benefit of the Project Fund and the Collateral Fund as follows: The Trustee shall allocate to the Collateral Fund a percentage of such Government Obligations equal to the amount of Lender Collateral Deposit and/or deposits of Subordinate Financing proceeds by the respective lender to the Trustee for deposit to the Collateral Fund on the Closing Date divided by the aggregate Outstanding principal amount of the Bonds and multiplied by 100 (the "Initial Collateral Fund Percentage") and the remainder (i.e., 100% minus the Initial Collateral

Fund Percentage, referred to as the "Initial Project Fund Percentage") shall be allocated to the Project Fund. On each subsequent month when an additional Lender Collateral Deposit and/or deposit of Subordinate Financing proceeds are presented by the respective lender for deposit to the Collateral Fund (the "Subsequent Allocation Date"), the dollar amount of such Lender Collateral Deposit and/or deposit of Subordinate Financing proceeds shall be added to all prior Lender Collateral Deposits and/or deposits of Subordinate Financing proceeds, and the percentage of such Government Obligations allocated to the Collateral Fund shall be adjusted to that percentage equal to the aggregate Lender Collateral Deposit and/or deposit of Subordinate Financing proceeds through such date divided by the aggregate Outstanding principal amount of the Bonds and multiplied by 100 (the "Collateral Fund Percentage") and the remainder (i.e., 100% minus the Collateral Fund Percentage, referred to as the "Project Fund Percentage") shall be allocated to the Project Fund. On each Subsequent Allocation Date, the Trustee shall be deemed to have liquidated that portion of the Government Obligations allocated to the Project Fund and purchased equivalent Government Obligations to be allocated to the Collateral Fund. In the event that the purchase price of the Governmental Obligations is less than the Outstanding principal amount of the Bonds, Section 4.08 of the Indenture shall be read by substituting the phrase "the purchase price of the Governmental Obligation" in lieu of "the Outstanding principal amount of the Bonds" where such phrase appears.

Cost of Issuance Fund. Before the Closing Date the Borrower shall deliver the Cost of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Cost of Issuance Deposit into either the Issuer Costs of Issuance Account or the Borrower Costs of Issuance Account of the Cost of Issuance Fund as designated in the closing memorandum prepared by the Underwriter and executed by the Borrower and the Issuer in connection with the issuance of the Bonds.

Except as otherwise provided in the Indenture, the amounts deposited in the Cost of Issuance Fund shall be expended for Costs of Issuance and for no other purpose. The Issuer shall deliver to the Trustee a Requisition in the form attached to the Indenture, specifying in detail the amount which constitutes the Issuer Costs of Issuance to be paid or reserved to be paid, and the respective firms or persons to whom such payments are to be made. The Borrower shall deliver to the Trustee the Requisition in the form attached to the Indenture, executed by the Borrower (and approved by the Lender), specifying in detail the amount which constitutes Borrower Costs of Issuance to be paid or reserved to be paid under this Section, and the respective firms or persons to whom such payments are to be made. The Trustee shall make the payments specified therein concurrently with or as soon as may be practicable after the delivery of the Bonds.

Any moneys remaining in the Cost of Issuance Fund twelve months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower upon the written instruction to the Trustee from the Borrower, in accordance with the provisions described under the caption "Payment to Borrower of Excess Moneys" below. Upon final disbursement, the Trustee shall close the Cost of Issuance Fund.

Payment to Borrower of Excess Moneys. Any amounts remaining in the Cost of Issuance Fund after the payment in full of all Costs of Issuance shall be paid to the Borrower in accordance with the provisions described under the caption "Cost of Issuance Fund" above, and any amounts remaining in the Collateral Fund or the Bond Fund (except for amounts then held by the Trustee in the Bond Fund for payment of principal of, or interest on, any of the Bonds) after payment in full of the principal of and interest on, the Bonds, payment of any and all fees and expenses due in accordance with the Indenture and the Bond Loan Agreement, full payment of the Rebate Requirement and payment of all other costs

associated with the discharge of the Bonds (or provision for payment thereof having been made as provided under the caption "Discharge of Lien" below) shall, upon written instruction to the Trustee from the Borrower (with a copy to the Issuer), be paid to the Borrower upon the expiration or sooner termination of the term of the Bond Loan Agreement.

Investment of Funds and Accounts

Except as otherwise provided in this Section, amounts on deposit in the Project Fund, the Collateral Fund and the Bond Fund shall be invested and reinvested by the Trustee in Permitted Investments at the written direction of the Borrower Representative.

At no time shall the Authorized Borrower Representative direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code. Investments of moneys in the Project Fund, the Collateral Fund and the Bond Fund shall mature or be redeemable without penalty at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an authenticating agent or a paying agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Bond Fund, Project Fund and the Collateral Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. If the Trustee is required to sell or otherwise dispose of any Permitted Investments prior to maturity at a price below par, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Preference Proof Moneys in the amount set forth in such Cash Flow Projection, if any. An investment made from moneys credited to the Bond Fund, Project Fund and the Collateral Fund shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Bond Fund, Project Fund and the Collateral Fund shall be credited to the Bond Fund. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Bond Fund, Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. In the absence of written directions of the Authorized Borrower Representative as provided above, the Trustee shall be required to invest such funds in the investments described in clause (ii) of the definition of Permitted Investments. Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Permitted Investments with a Cash Flow Projection. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Permitted Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the initial deposit to the Capitalized Interest Account pursuant to the Indenture shall be held uninvested until the Trustee has purchased, sold or exchanged Permitted Investments.

Amounts, if any, on deposit in the Cost of Issuance Fund, until disbursed or returned to the Borrower pursuant to the Indenture, shall be invested in Permitted Investments, with respect to amounts on deposit in the Issuer Costs of Issuance Account at the written direction of the Issuer, and with respect to amounts on deposit in the Borrower Costs of Issuance Account, at the written direction of the Borrower. The Expense Fund shall be invested in Permitted Investments at the written direction of the Issuer. In the absence of investment instructions from the Borrower or the Issuer, as applicable, the Trustee shall not be responsible or liable for keeping the moneys held in the Cost of Issuance Fund or the Expense Fund under the Indenture fully invested in Permitted Investments.

Investment of Rebate Fund

Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative, in Permitted Investments or in any money market or short term investment fund investing in or consisting solely of and secured by Permitted Investments, including any such fund maintained by the Trustee or an affiliate thereof having maturities consistent with the need for funds as estimated by the Borrower. In the absence of investment instructions from the Borrower Representative, the Trustee shall invest the moneys held in the Rebate Fund in the investments described in clause (ii) of the definition of Permitted Investments.

Accounting for Termination of Investments

Subject to the provisions and requirements described under Investment of Funds and Accounts above, in the event the moneys in the Collateral Fund have been invested in Permitted Investments and the Permitted Investment at any time and for any reason fails to satisfy such requirements, the Trustee shall, at the written direction of the Borrower and with the written approval of the Rating Agency, terminate any such investment, and the proceeds of such termination, shall be credited to the Collateral Fund.

All investment earnings on moneys or any investment held in any fund or account created under the Indenture (other than the Rebate Fund, which shall be credited to the Rebate Fund) shall be credited to the fund or account in which such invested funds are deposited.

If the Issuer is of the opinion, upon receipt of advice of Bond Counsel, that it is necessary to restrict or limit the yield on the investment of any moneys, securities or other obligations paid to or held by the Trustee under the Indenture in order to comply with the provisions of the Documents intended to prevent any Bonds from being considered “arbitrage bonds” within the meaning of Section 148 of the Code, an authorized officer of the Issuer may give written notice to the Trustee and the Borrower to such effect (together with appropriate written instructions), in which event the Trustee will use its best efforts to take such action as is set forth in such written instructions to restrict or limit the yield on such investment so as to comply with Section 148 of the Code.

Discharge of Lien

If and when the Bonds secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same and the full Rebate Requirement has been paid or provided for, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Borrower, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Collateral Fund and all balances remaining in any other fund created under the Indenture (other than the Rebate Fund, the Costs of Issuance Fund and the Expense Fund to the extent obligations remain payable therefrom) and shall assign and transfer to the Borrower all other property then held by the Trustee under the Indenture and shall execute such documents prepared by the

Borrower as may be reasonably required by the Borrower. Bonds may be defeased to the next Mandatory Tender Date if such date occurs sooner than the Maturity Date.

If and when the Trustee shall hold sufficient moneys under the Indenture, as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations, to provide for payment of the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all the Bonds, together with all other amounts (exclusive of amounts in the Rebate Fund, the Costs of Issuance Fund or the Expense Fund) payable or which may thereafter become payable under the Indenture by the Issuer, notwithstanding that all the Bonds have not yet become due and payable and that consequently the right, title and interest of the Trustee in and to the Trust Estate shall not have ceased, terminated and become void as described in the prior paragraph, the Trustee, on demand of the Borrower, shall deposit with the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, or to such person, body or authority as may be entitled to receive the same, any surplus in the Collateral Fund in excess of the amount sufficient to pay the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable under the Indenture by the Issuer or the Borrower.

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations selected by the Issuer) either (i) moneys (excluding moneys held in the Project Fund and the Collateral Fund) in an amount which shall be sufficient, or (ii) Permitted Investments (excluding Permitted Investments held in the Project Fund and the Collateral Fund) which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the Maturity Date or earlier redemption date thereof, and (b) the Borrower shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the provisions described under this caption and stating the date upon which moneys are to be available for the payment of the principal and interest on such Bonds.

Neither the securities nor moneys deposited as described above nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest, on such Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, may be reinvested in Permitted Investments (including any short term investment fund rated Aaa or Mig1 (or comparable) by the Rating Agency and secured by and investing solely in Permitted Investments) maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be deposited into the respective defeasance account held by the Trustee under the Indenture for the benefit of the Bonds.

The release of the obligations of the Issuer under the Indenture shall be without prejudice to the right of the Trustee provided in the Indenture to be paid reasonable compensation for all services rendered by it thereunder and all its reasonable expenses, charges and other disbursements, including

those of its attorneys, agents and employees, and shall not affect the obligations of the Borrower to make the payments required by the Bond Loan Agreement or the Note.

Notwithstanding anything in the Indenture to the contrary, the purchase of Permitted Investments in accordance with the Indenture, shall not cause a discharge of the Indenture thereunder.

Events of Default and Acceleration

The following events shall constitute an "Event of Default" under the Indenture:

- (a) any interest on any Bond is not paid on the date on which the same becomes due;
or
- (b) the principal of any Bond is not paid on the date on which the same becomes due, whether at the stated maturity thereof, by acceleration or otherwise; or
- (c) an Event of Default occurs under the Bond Loan Agreement; or
- (d) the Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as specified in (a), (b) or (c) above) contained in the Bonds or in the Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of 90 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer and the Borrower and the Investor Limited Partner by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within 90 days, it shall not be an Event of Default if the Issuer or the Borrower or the Investor Limited Partner is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

If any Loan payment required under the Bond Loan Agreement to avoid a default described in (a) or (b) above shall not have been received at the close of business on the last business day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Investor Limited Partner of Borrower, which telephonic notice shall be confirmed by electronic, telegraphic or written notice to the Borrower and the Investor Limited Partner of Borrower. If any other default shall occur under the provisions described under this caption, the Trustee shall, within five days after having actual knowledge of such default, use its best efforts to give written notice of such default to the Issuer, the Borrower, the Investor Limited Partner of Borrower, the Holders of the Bonds and the Rating Agency. A default or an Event of Default specified in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

If an Event of Default specified in (a) or (b) above shall occur and be continuing, the Trustee, may, and upon written request of the Holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall, declare by notice in writing to the Issuer, the Borrower, the Rating Agency and the Trustee, the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately.

Upon the occurrence of any Event of Default other than those described in (a) and (b) above, the Trustee may, and upon the written consent of not less than 100% in aggregate principal amount of the Bonds then Outstanding, shall declare by a notice in writing delivered to the Issuer, the Borrower, the Rating Agency and the Trustee, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Bonds Outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement hereunder (after an opportunity for hearing by the Issuer and the Borrower),

(a) all sums payable hereunder (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee, and

(b) all existing Events of Default shall have been cured,

then and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Limited Partner shall be entitled (but not obligated) to cure any Event of Default under the Indenture within the time frame provided to the Borrower thereunder. The Issuer and the Trustee agree that a cure of any default or Event of Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Remedies

Upon the happening of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of not less than 51% in principal amount of the Bonds then Outstanding and receipt of satisfactory indemnity, shall:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents including, but not limited to, foreclosing upon the security interest in or otherwise using funds on deposit in the Collateral Fund, Project Fund or Bond Fund;

(b) bring suit upon the Bonds; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Notwithstanding anything contained in the Indenture to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such action.

Right of Bondholders to Direct Proceedings

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Indenture, or any other remedy thereunder or on the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as provided therein and unless also the Holders of not less than 51% in principal amount of the Bonds then outstanding shall have made written request of the Trustee to do so, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Indenture or for any other remedy thereunder; it being understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right thereunder or under the Bonds, except in the manner therein provided and for the equal benefit of all Holders of Outstanding Bonds. For purposes of the foregoing sentence, the Trustee shall be deemed to have failed to act within a reasonable time if it fails to take action within 60 days after receipt of written notice and compliance with the foregoing terms and conditions, where upon, the Holders of 51% aggregate principal amount of the Bonds may take such action in the place of the Trustee. Nothing in the Indenture contained shall, however, affect or impair the right of any Holder of Bonds to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest, on each of the Bonds issued thereunder to the respective Holders of the Bonds at the time, place, from the source and in the manner therein and in such Bonds expressed.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the defaults and remedies provisions of the Indenture shall, after payment of all costs and expenses of the Trustee and the Issuer, be deposited in the Collateral Fund and all moneys so deposited in the Collateral Fund during the continuance of an Event of Default (other than moneys for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default, which moneys shall continue to be held for such payments), shall be applied as follows:

First - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the direct order of the maturity of the installments of such interest and, if the amounts available shall not be sufficient to pay in full any particular installment, then to the payment ratably,

according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second - To the payment to the persons entitled thereto of the unpaid principal, on any of the Bonds, which shall have become due (other than Bonds which have matured or otherwise become payable prior to such Event of Default and moneys for the payment of which are held in the Collateral Fund or otherwise held by the Trustee), with interest on such principal from the respective dates upon which the same became due and, if the amount available shall not be sufficient to pay in full the amount of principal, and the interest due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege;

Third - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege; and

Fourth - The remainder, if any, shall be disbursed in accordance with the provisions described above under Payment to Borrower of Excess Moneys.

Whenever moneys are to be applied pursuant to these above-described provisions, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts or principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

No Interference or Impairment of Lender Loan

Notwithstanding anything in the Indenture to the contrary, none of the Issuer, the Trustee nor any other person shall:

- (a) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Lender Loan; or

- (b) interfere with or attempt to interfere with or influence the exercise by the Lender of any of its rights under the Lender Loan, including, without limitation, the Lender remedial rights under the Lender Loan upon the occurrence of an event of default by the Borrower under the Lender Loan.

Any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under the Loan Agreement which includes any

claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the Lender Loan Documents.

The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of the Indenture so long as it does not violate HUD Program Obligations (as defined in the HUD Regulatory Agreement as determined by the Lender and communicated in writing by the Lender to the Issuer and the Trustee).

No subsequent owner of the Development shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the person who was the Borrower at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned by the default or breach even after such person ceases to be the Borrower with regards the Development.

Promptly upon determining that an Event of Default under the Indenture has occurred, the Issuer or the Trustee shall, by notice in writing to the Lender, inform the Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Lender Loan or to foreclose on the Lender Mortgage.

Unclaimed Moneys

Anything in the Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any Bonds which remain unclaimed for a period of one year after the date when such Bonds have become due and payable either (i) at their stated maturity dates, if such moneys were held by the Trustee at such date, or (ii) for a period of one year after the date such moneys were deposited with the Trustee, if such moneys were deposited after the date when all Bonds became due and payable, shall be paid by the Trustee to the State pursuant to Chapter 717, Florida Statutes, and the Trustee shall thereupon be released and discharged. Thereafter, any person having a claim against any such moneys shall look solely to the State for payment of the same pursuant to Chapter 717, Florida Statutes.

Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders

The Issuer and the Trustee may, from time to time and at any time, without the consent of Bondholders, enter into agreements supplemental to the Indenture and the Bond Loan Agreement as follows:

- (1) to specify and determine any matters and things relative to Bonds which shall not materially adversely affect the interest of the Bondholders;
- (2) to cure any formal defect, omission or ambiguity in the Indenture or the Bond Loan Agreement if such action does not materially adversely affect the rights of the Bondholders;

(3) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(4) to add to the covenants and agreements of the Issuer in the Indenture or the Bond Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Bond Loan Agreement as theretofore in effect;

(5) to add to the limitations and restrictions in the Indenture or the Bond Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Bond Loan Agreement as theretofore in effect;

(6) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, the Indenture, of the Revenues or of any other moneys, securities or funds; or

(7) to modify, amend or supplement the Indenture or the Bond Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds; provided the Trustee shall have no affirmative duty to determine if a modification, Amendment or Supplement to the Indenture is necessary.

Before the Issuer shall enter into any agreement supplemental to the Indenture pursuant to the provisions described under this caption, there shall have been filed with the Trustee an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms. The opinion of Bond Counsel filed with the Trustee shall also state that the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall send written notice to the Rating Agency, the Lender and the Borrower of any amendment to the Indenture or the Bond Loan Agreement.

Amendments to Indenture Requiring Consent of Bondholders

The Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any

other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in the Indenture, including (without limitation) that required for consent to such supplemental indentures. This paragraph shall not limit or otherwise affect the ability of the Issuer and the Trustee to enter into agreements supplemental to the Indenture without the consent of the Bondholders pursuant to Section 12.02 of the Indenture.

If at any time the Issuer and the Trustee shall determine to enter into any supplemental indenture for any of the purposes described above, the Trustee shall cause written notice of the proposed supplemental indenture to be given to all Holders of the Bonds; provided, however, that failure to give such notice or any defect therein, shall not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the Trust Office of the Trustee for inspection by all Bondholders.

Within 120 days after the date of giving such notice, the Issuer and the Trustee may enter into such supplemental indenture in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding (or 100% if required thereunder) and (ii) an opinion of Bond Counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

If the Holders of not less than the percentage of Bonds required shall have consented to and approved the supplemental indenture, no Holder of any Bond shall have any right to object to such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Issuer or the Trustee from entering into the same or from taking any action pursuant to the provisions thereof.

Upon the effectiveness of any supplemental indenture, the Indenture shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modifications and amendments.

The Trustee shall send written notice to the Rating Agency of any amendment to the Indenture.

HUD Federal Laws and Requirements Control

Notwithstanding anything in the Indenture or the Bond Loan Agreement to the contrary:

(a) Borrower, Trustee and the Issuer acknowledge that the Indenture, and any obligations of Borrower thereunder, are subject and subordinate to the Lender Loan Documents. Notwithstanding any provision in the Indenture to the contrary, no obligations of the Borrower or under the Indenture shall be payable except from (A) Surplus Cash (as defined in the HUD Regulatory Agreement), (B) funds that are not derived from (i) revenues of the Mortgaged Property (as defined in the Lender Mortgage) or (ii) any reserve or deposit made with the Lender or any other party as required by HUD in connection with the Lender Loan Documents, or (C) the Lender Collateral Deposit and/or Subordinate Financing which has been deposited into the

Collateral Fund by or at the direction of the Lender (collectively, "Non-Project Sources"). No claims or actions shall be made (or payable) under the Indenture against the Project, the Lender, the proceeds of the Lender Borrower Note, or the assets of the Borrower, except from Non-Project Sources. In addition, the rights and obligations of the parties under the Indenture and all other documents evidencing, implementing, or securing the Indenture (collectively, the "Subordinate Bond Documents") are and shall be subordinated in all respects, rights and obligations of the parties to and under the Lender Loan Documents. In the event of any conflict between the provisions of (i) the Indenture or the Subordinate Bond Documents and (ii) the provisions of the Lender Loan Documents or the Program Obligations (as defined in the Lender Mortgage), GNMA statutory, regulatory or administrative requirements, the provisions of the Lender Loan Documents, the Program Obligations or the GNMA statutory, regulatory or administrative requirements, as applicable, shall control. The provisions of this Section 13.10 shall control over any inconsistent provisions in the Indenture or the Subordinate Bond Documents.

(b) Any subsequent amendment to the Indenture or the Bond Loan Agreement is subject to prior written approval of HUD (so long as the Development is subject to a mortgage insured or held by HUD). No amendment to the Indenture or the Bond Loan Agreement shall conflict with the provisions of the Program Obligations.

(c) The Bonds are not a debt of the United States of America, HUD, FHA, GNMA or any other agency or instrumentality of the federal government, and are not guaranteed by the full faith and credit of the United States or any agency or instrumentality thereof.

(d) There is no pledge under the Indenture or under the Bond Loan Agreement of the gross revenues of the Development or any of the assets of the Borrower.

(e) Neither a default under the Indenture nor under the Bond Loan Agreement shall constitute a default under the Lender Loan Documents related to the Development.

(f) Nothing contained in the Indenture or in the Bond Loan Agreement shall inhibit or impair the right of HUD to require or agree to any amendment, change or modification of any Lender Loan Documents related to the Development for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said Lender Loan Documents so long as any such amendment, change or modification shall not adversely affect the payment terms of the Bonds.

(g) None of the Issuer, the Trustee, or any of the owners of the Bonds has or shall be entitled to assert any claim against the Development, any reserves or deposits required by HUD in connection with the Development, or the rents or deposits or other income of the Development.

(h) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Development will not be payable to the Trustee, but will be payable in accordance with the Lender Loan Documents.

(i) Notwithstanding anything in the Indenture, the Bond Loan Agreement, the Note or the Bond Purchase Agreement to the contrary, in no event shall HUD or the Lender have any

claim to or lien upon the Trust Estate under the Indenture and funds held by the Trustee under the Indenture and pledged to secure the repayment of the Bonds. Further, nothing in the Bond Loan Agreement shall restrict the rights and obligations of the parties as they relate to the Bonds and the rights and obligations therein are not subordinated.

(j) Notwithstanding anything to the contrary in the event of an assignment or conveyance of the Lender Mortgage to HUD, subsequent to the issuance of the Bonds, all money remaining in all funds and accounts other than the Rebate Fund, and any other funds remaining under the Indenture after payment or provision for payment of debt service on the Bonds and the fees and expenses of the Issuer, the Trustee, and other such parties unrelated to the Borrower (other than funds originally deposited by the Borrower or related parties on or before the date of issuance of the Bonds) shall be returned to the Lender.

(k) Notwithstanding any provision of [the Indenture], so long as HUD holds or insures a mortgage on the Project, any and all monetary obligations (including but not limited to indemnification and/or hold harmless obligation) of Borrower shall be limited to available Surplus Cash (as such term is identified in the HUD Regulating Agreement).

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT

The Bond Loan Agreement contains terms and conditions relating to the issuance and sale of the Bonds certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Bond Loan Agreement to which reference is hereby made, copies of which are on file with the Trustee. This summary uses various terms defined in the Bond Loan Agreement and such terms as used herein shall have the same meanings as so defined.

Loan of Proceeds

The Issuer will agree, upon the terms and conditions contained in the Bond Loan Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall, in accordance with the terms of the Indenture, be disbursed to or on behalf of the Borrower from the Project Fund to pay Costs of the Development in the manner consistent with the Tax Certificates. The Trustee shall make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture and with respect to an Approved Advance in accordance with the Lender Loan Documents and FHA/HUD requirements.

Borrower Required to Pay in Event Project Fund Insufficient

In the event the moneys in the Project Fund available for payment of the Costs of the Development are not sufficient to pay the Costs of the Development in full, the Borrower agrees to complete the Development and to pay that portion of the Costs of the Development in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Development will be sufficient to pay all of the Costs of the Development. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Costs of the Development pursuant to the provisions described under this caption, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under the Bond Loan Agreement. Notwithstanding the foregoing, the terms, conditions and covenants described under this caption do not in any way affect the ability of the Issuer to pursue its rights and remedies under the Fee Guaranty and Environmental Indemnity Agreement.

Amounts Payable

The Borrower covenants and agrees to repay the Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the Capitalized Interest Account and the Collateral Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Deposits into the Bond Fund for payments by the Trustee of principal and interest on the Bonds from amounts in the Capitalized Interest Account or the Collateral Fund shall be credited against the Borrower's obligation to pay principal and interest on the Loan.

All payments of principal and interest payable by the Borrower as described under this caption will be assigned by the Issuer in accordance with the terms of the Indenture to the Trustee for the benefit of the Holders of the Bonds (excluding amounts on deposit in the Rebate Fund). The Borrower consents to such assignment.

In the event the Borrower should fail to make any of such payments, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

Obligations of the Borrower Unconditional

The obligations of the Borrower to make the payments required under the Bond Loan Agreement, and to perform and observe the other agreements on its part contained therein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other person. Subject to termination as provided in the Bond Loan Agreement, the Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under the Bond Loan Agreement, (ii) will perform and observe all of its other agreements contained in the Bond Loan Agreement and the other Documents and (iii) will not terminate the Bond Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Development, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Bond Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

No Pecuniary Liability of the Issuer

All obligations of the Issuer incurred under any of the Bond Documents shall be limited obligations of the Issuer, payable solely and only from the Trust Estate. The Bonds shall be payable solely from the Revenues and other funds pledged under the Indenture for the payment of the Bonds, and no owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body of the State, nor to enforce the payment of the Bonds against any development of the Issuer, the State or any such political subdivision or other public body, except as provided in the Indenture. No member, officer, agent, director, employee, or attorney of the Issuer, including any person executing the Bond Loan Agreement or the Indenture on behalf of the Issuer, shall be liable personally under the Bond Loan Agreement or the Indenture for any reason relating to the issuance of the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds, or for any claim based on the Bonds, or otherwise in respect of the Bonds, or based in or in respect of the Bond Loan Agreement or any amendment to the Bond Loan Agreement, against any member, officer, agent, director, employee or attorney of the Issuer, as such, of the Issuer or any successor whether by virtue of any constitution, statute or rule of law, or by enforcement of any assessment or penalty or otherwise; all such liability is, by acceptance of the Bond

Loan Agreement and as part of the consideration for the issuance of Bonds, expressly waived and released. The Issuer has no taxing power.

Defaults Defined

The following shall be "Defaults" under the Bond Loan Agreement and the term "Default" shall mean, whenever it is used in the Bond Loan Agreement, any one or more of the following events:

(a) failure by the Borrower to pay any amount required to be paid as described under Amounts Payable above or fees and expenses required to be paid under the Bond Loan Agreement; or

(b) failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Bond Loan Agreement, other than as referred to in subsection (a) above or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Tax Certificates, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure covered by this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60 day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby; or

(c) the dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Development, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due; or

(d) the occurrence and continuance of an Event of Default under the Bond Documents; or

(e) the occurrence and continuance of an Event of Default under the Indenture.

The provisions of (b) above are subject to the following limitation: if by reason of force majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained in the Borrower Loan Agreement (other than its obligations contained in Article IV of the Bond Loan Agreement), the Borrower shall not be deemed in Default during the continuance of such inability. Such force majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The term "force majeure" as used in the Bond Loan Agreement shall mean, without limitation, the following: acts of God; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; terrorism; landslides; earthquakes; fires; storms; droughts; floods; hurricanes; or explosions; not reasonably within

the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement.

Remedies on Default

A copy of any notice of default provided to Borrower under any of the Borrower Documents shall also be provided to the Investor Limited Partner and the Lender. Whenever any Default as described under the caption "Defaults Defined" above shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Bond Loan Agreement, the Note, the Land Use Restriction Agreement or any other Document in the event of default thereunder. Any amounts collected pursuant to action taken under this caption shall be paid into the Collateral Fund.

No Remedy Exclusive

Subject to the provisions described in "APPENDIX B – DOCUMENT SUMMARIES –SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Acceleration," no remedy in the Bond Loan Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it, it shall not be necessary to give any notice, other than such notice as may be required in the Bond Loan Agreement. Such rights and remedies as are given to the Issuer under the Bond Loan Agreement shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Unassigned Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements contained in the Bond Loan Agreement.

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Bond Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Bond Loan Agreement.

Right to Cure

Notwithstanding anything to the contrary in the Bond Loan Agreement or otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Investor Limited Partner shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower in the Bond Loan Agreement or

otherwise in the Borrower Documents. Any cure of any event of default by the Investor Limited Partner under the Borrower Documents shall be deemed a cure by Borrower thereunder.

No Interference or Impairment of Lender Loan

Notwithstanding anything in the Bond Loan Agreement to the contrary, none of the Issuer, the Trustee nor any other person shall:

- (a) initiate or take any action which may reasonably be expected to have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due and payable under, the Lender Loan; or
- (b) interfere with or attempt to interfere with or influence the exercise by the Lender of any of its rights under the Lender Loan, including, without limitation, the Lender remedial rights under the Lender Loan upon the occurrence of an event of default by the Borrower under the Lender Loan.

Any right of the Issuer or the Trustee to take any action at law or in equity to enforce the obligations, covenants and agreements of the Borrower under the Bond Loan Agreement which includes any claim for indemnification, damages or any other monetary obligation sought to be enforced shall be subject and subordinate in all respects to the repayment in full of all amounts due under the Lender Loan Documents.

The foregoing prohibitions and limitations shall not be construed to affect the Unassigned Rights of the Issuer or to limit the rights of the Issuer to enforce its rights against the Borrower under the indemnification provisions of the Bond Loan Agreement so long as it would not be reasonably expected to cause the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

No subsequent owner of the Development shall be liable or obligated for the breach or default of any obligation of any prior Borrower unless specifically assumed in writing by a subsequent Borrower, including, but not limited to, any payment or indemnification obligation. Such obligations shall be personal to the person who was the Borrower at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned by the default or breach even after such person ceases to be the Borrower with regards the Development.

Promptly upon determining that an Event of Default under the Bond Loan Agreement has occurred, the Issuer or the Trustee shall, by notice in writing to the Lender, inform the Lender that such Event of Default has occurred, the nature of such Event of Default and that such Event of Default has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such Event of Default, neither the Issuer nor the Trustee shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Lender Loan or to foreclose on the Lender Mortgage provided that the Issuer shall not be liable in any way for its failure.

Amendments, Changes and Modifications

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise expressly provided in the Bond Loan Agreement, the Bond Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture. See "APPENDIX B – DOCUMENT SUMMARIES – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Amendments to Indenture and Bond Loan Agreement Not Requiring Consent of Bondholders" and "Amendments to Indenture Requiring Consent of Bondholders" as provided therein.

[Remainder of Page Intentionally Left Blank]

SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT

The Borrower will execute the Land Use Restriction Agreement with respect to the Development. The Land Use Restriction Agreement will contain representations and covenants of the Borrower concerning the acquisition, rehabilitation, and equipping of the Development, the ownership, management and operation of the Development and the tax-exempt status of the Bonds that must be complied with continuously subsequent to the date of issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Land Use Restriction Agreement to which reference is hereby made, a form of which is on file with the Trustee. This summary uses various terms defined in the Land Use Restriction Agreement and such terms as used herein shall have the same meanings as so defined.

As used herein:

["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.] [NOT IN LURA]

"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.

"Certificate of Continuing Program Compliance" or "Compliance Certificate" means the certificate as such form may be revised by the Issuer from time to time, which certificate is required to be delivered by the Borrower to the Issuer and the Trustee pursuant to the terms of the Land Use Restriction Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, and with respect to a specific section thereof such reference shall be deemed to include (a) the applicable Regulations promulgated or proposed with an interim effectiveness under such section or any previous corresponding section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the applicable regulations promulgated or proposed with an interim effectiveness under the provisions described in (b) and (c).

"County" means Palm Beach County, Florida.

"Eligible Tenant" shall mean persons or households where at least one person has reached the age of 62.

"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.

"Income Certification" means an Income Certification initially in the form of Exhibit B attached to the Land Use Restriction Agreement, as such form may be revised by the Issuer from time to time or the tenant income certification form utilized by Florida Housing Finance Corporation, and in any event containing the information as may be required by applicable written rules, rulings, policies, procedures, regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code..

"Land" shall mean the real property (exclusive of any buildings thereon) described in Exhibit A of the Land Use Restriction Agreement.

"Land Use Restriction Agreement" or "Agreement" shall mean the Land Use Restriction Agreement, as amended or supplemented from time to time.

"Loan Agreement" means the Loan Agreement, dated as of December 1, 2021, between the Issuer and the Borrower, as amended and supplemented from time to time.

"Low-Income Tenant" shall mean a person or family having an income not exceeding 60% of area median income, as determined in accordance with the requirements of the Code in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, adjusted for family size, as a 40/60 election has been made.

"Project" shall mean the Land and the buildings, structures, facilities and equipment now or hereafter comprising the 200-unit multifamily housing facility for the elderly known as "Christian Manor", to be owned by the Borrower upon the issuance of the Bonds, located in the City of West Palm Beach in Palm Beach County, Florida, the acquisition, rehabilitation and equipping of which Project are to be financed, in part, with the proceeds of the Bonds.

"Qualified Project Period" shall mean the period beginning the first day on which at least ten percent (10%) of the residential rental units in the Project are first occupied (as certified in writing by the Borrower to the Issuer and the Trustee) and ending on the latest of (a) the date that is fifteen years after the date on which at least fifty percent (50%) of the units in the Project are occupied (as certified in writing by the Borrower to the Issuer and the Trustee); (b) the first day on which no Bonds or other tax-exempt private activity bonds (as defined in the Code) issued with respect to the Project are outstanding; and (c) the termination date of the housing assistance payments contract, including the initial term and any renewal thereof, if the Project is funded under Section 8 of the United States Housing Act of 1937, as amended. The Borrower is authorized to use Exhibit D attached hereto to evidence the foregoing.

["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.] [THIS DEFINITION IS NOT IN LURA – SHOULD IT BE?]

"State" shall mean the State of Florida.

"Term of this Agreement" means the term described under Term below.

Residential Property

During the term of the Land Use Restriction 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 Borrower represents, covenants, warrants and agrees as follows:

(a) (i) the Project will be acquired and rehabilitated for the purpose of providing multifamily "residential rental property" as such phrase is used in Section 142(d) of the Code, (ii) the Borrower shall own the entire Project for federal tax purposes, and (iii) the Project shall be owned, managed and operated as a multifamily residential rental property comprised of a building or structure or several buildings or structures containing similarly constructed units, together with any functionally related and subordinate facilities and no other facilities, in accordance with Section 142(d) of the Code and Sections 1.103-8(b)(4) and 1.103-8(a)(3) of the Regulations (as modified by Section 142(d) of the Code), and in accordance with such requirements as may be imposed thereby on the Project 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) none of the dwelling units in the Project shall at any time be utilized on a transient basis or will be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer court or park;

(d) all of the residential rental units will be similarly constructed and will be rented or available for rent on a continuous basis to members of the general public and, except as provided above, the Borrower will not give preference to any particular class or group in renting the units in the Project, except to the extent that residential rental units are required to be leased or rented to Low-Income Tenants or Eligible Persons. Low-Income Tenants will have equal access to and enjoyment of all common facilities of the Project.

Low-Income Tenants, Elderly Tenants and Eligible Persons, Reporting Requirements

In order to satisfy the requirements of the Act and Section 142(d) of the Code, 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 Bonds (i) the Borrower 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 Lower-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.

(b) The determination of whether the income of a resident of a residential rental unit exceeds the applicable income limit shall be made at least annually on the basis of the current income of the resident. Pursuant to the Land Use Restriction Agreement, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Low-Income Tenant (or Eligible Person) shall be counted as occupied by a Low-Income Tenant (or Eligible Person) during such individual's or family's tenancy in such residential rental unit, even though such individual or family ceases to be a Low-Income Tenant (or Eligible Person) unless the income of this individual or family, after adjustment for family size, exceeds 140 percent of the applicable income limit, if after such determination, but before the next determination, any residential rental unit of comparable or smaller size in the Project are occupied by a new resident whose income exceeds the applicable income limit. In addition, a residential rental unit that was occupied by a Low-Income Tenant (or Eligible Person) shall be counted as occupied by a Low-Income Tenant (or Eligible Person) until it is reoccupied for a period in excess of thirty-one (31) days, at which time the unit shall be considered to be occupied by a Low-Income Tenant (or Eligible Person) only if the individual or family then occupying the unit satisfies the definition of a Low-Income Tenant (or Eligible Person).

(c) Leases shall provide for termination and eviction if a tenant has certified that he or she is a Low-Income Tenant, and has failed to so qualify, at the time of commencement of the occupancy. The form of lease to be utilized by the Borrower in renting all residential rental units in the Project shall be subject to the Issuer's approval.

Transfer; Covenants to Run with the Land

(a) Except as specifically authorized pursuant and subject to the terms and provisions of the [Bond] Documents, the Borrower shall not (a) enter into a sale, lease, exchange, assignment, conveyance, transfer or other disposition of all or substantially all of the Project (collectively, a "Disposition"), or (b) other than liens securing the Loan, place any mortgage lien, assignment of leases and rents or security interests on or pertaining to the Project, without in each instance the prior written consent of the Issuer. The Issuer shall not unreasonably withhold its written consent to a Disposition, as long as the requirements described under this heading are fully satisfied. It is expressly agreed that, in connection with determining whether to grant or withhold such consent, the Issuer may (but is not obligated to), among other things: (i) consider the creditworthiness of the party to whom such Disposition will be

made and such party's management ability with respect to the Project; (ii) consider whether or not the security for repayment of the Loan and other payment obligations under the Loan Agreement and other Bond Documents, and the performance of the covenants and other obligations under the Land Use Restriction Agreement (without regard to whether any Bonds are outstanding) or the Issuer's ability to enforce its rights, remedies and recourses with respect to such security or performance will be impaired in any way or to any degree by the proposed Disposition; (iii) require that the Issuer be reimbursed for all reasonable costs and expenses incurred by the Issuer, to the extent applicable, in connection with investigating the creditworthiness and management ability of the party to whom such Disposition will be made in determining whether the Issuer's security will be impaired by the proposed Disposition; (iv) require the payment of all payment obligations of the Borrower under the [Loan Agreement], including but not limited to accrued obligations not yet payable and, in the event of a Disposition in connection with a redemption of the Bonds prior to the termination of the Qualified Project Period, an amount reasonably determined by the Issuer as being necessary to compensate it for monitoring costs and expenses for the balance of the Qualified Project Period; (v) require the payment of the Issuer's reasonable attorneys' fees and expenses in connection with such Disposition; (vi) require the express, unconditional assumption of all payment obligations and all performance obligations under the Land Use Restriction Agreement and the Loan Agreement and any other document, agreement or instrument evidencing or securing the Borrower's obligations under the Loan Agreement by the party to whom such Disposition will be made (with or without the release of the transferor Borrower from liability for such obligations), which assumption shall be in form and substance satisfactory to the Issuer and its counsel, and require the recording of such assumption document; (vii) require the execution of modification agreements, supplemental mortgage documents, financing statements and such other documents, agreements and instruments as the Issuer or its counsel may require, and [(viii) require endorsements to any existing Issuer's or Trustee's title insurance policies insuring the Issuer's or the Trustee's liens and security interests covering the Project.] The Issuer may, in its discretion, release the Borrower from liability under the Land Use Restriction Agreement without releasing the Borrower from liability under any other agreement relating to the Project and may limit any such release from liability to events and occurrences arising after such Disposition, whether or not the Issuer has knowledge of prior events or occurrences creating such liability at the time of the Disposition.

(b) The restrictions described under this heading shall not be applicable to any of the following: (i) any sale, transfer, assignment, encumbrance or addition, deletion or exchange of interests in the Borrower, including, but not limited to, the general or limited partnership interests of the Borrower, provided such sale, transfer, assignment, encumbrance or addition does not dissolve the Partnership for federal tax purposes, as certified in writing by the Borrower to the Issuer and the Trustee; (ii) grants of utility-related easements and governmental easements and any other construction or Project operation easement and use agreement, or service-related leases or easements, such as laundry service leases or television cable easements, over portions of the Project, provided, however, the same are granted in the ordinary course of business in connection with the operation of the Project as contemplated by the Land Use Restriction Agreement; (iii) leases of apartment units to tenants, including Low-Income Tenants and Eligible Persons, in accordance with the requirements of the Land Use Restriction Agreement or the lease of a manager unit or common building for approved uses; (iv) any sale or conveyance to a condemning governmental Issuer as a direct result of a condemnation or a governmental taking or a threat thereof; (v) any change in allocations or preferred return of capital, depreciation or losses or any final adjustment in capital accounts (all of which may be freely transferred or adjusted by the Borrower pursuant to the Borrower's creation documents); or (vi) any transfer to the Trustee or [Lender] pursuant to or in lieu of a foreclosure or comparable conversion.

(c) The covenants, reservations and restrictions set forth in the Land Use Restriction Agreement shall be deemed covenants running with the Land and, except as provided in the Land Use Restriction Agreement, shall pass to and be binding upon the Borrower's assigns, and successors in title to the Land or the Project; provided, however, that upon the termination of the Land Use Restriction Agreement in accordance with the terms under this heading, said covenants, reservations and restrictions shall expire. Except as otherwise provided in the Land Use Restriction Agreement, each and every contract, deed or other instrument hereafter executed covering or conveying the Land or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project are conveyed, all such covenants, reservations and restrictions shall run to each portion of the Project.

Term

Subject to the rights of the Issuer and the Trustee pursuant to the provisions of the Land Use Restriction Agreement, the Land Use Restriction Agreement shall remain in full force and effect until the "Term of this Agreement", which shall be the later of (i) the payment in full of the Bonds (or any debt obligation of the Issuer refunding the Bonds), or (ii) the expiration of the Qualified Project Period, it being expressly agreed and understood that the provisions of the Land Use Restriction Agreement may survive the termination of the Loan Agreement and the Trust Indenture, if repayment of the Loan occurs prior to the later of such events. Upon the termination of the Land Use Restriction Agreement, upon request of any party hereto, the Issuer, the Trustee, the Borrower and any successor party hereto shall execute a recordable document prepared by the Issuer or its counsel (at the expense of the Borrower) further evidencing such termination. Notwithstanding anything contained in the Land Use Restriction Agreement or any other document relating to the Bonds (collectively, the "Bonds Documents") to the contrary, the Borrower covenants to pay the [Authority Program Fee] and any expenses of the Issuer set forth in the Trust Indenture or the Loan Agreement for the duration of the Land Use Restriction Agreement. The Land Use Restriction 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 thereof may survive the repayment in full of the Note and the Loan, if such repayment occurs prior to the later of such events.

Notwithstanding the foregoing, the Land Use Restriction 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 Bonds are issued which prevents compliance with the covenants expressed in the Land Use Restriction Agreement, or condemnation or similar event (as determined by the Trustee), but only if, within a reasonable period either (i) all Bonds are redeemed and paid in full and the 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 the Land Use Restriction Agreement, the entire Land Use Restriction Agreement, or any of the provisions or Sections thereof, may be terminated with the written consent of the Issuer if there shall have been received an opinion of Qualified Bond Counsel delivered to the Issuer, the Borrower, and the Trustee that such termination will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Trustee to Monitor Compliance

The Trustee, when directed by the Issuer in writing to receive reports, certifications and other documents, shall examine all such reports, certifications and other documents then required to be delivered to the Trustee under the Land Use Restriction Agreement and shall notify the Issuer and the Borrower promptly if any such documents contain evidence or any indication of non-compliance with the requirements of this Agreement. In addition, and, if applicable as set forth in the Land Use Restriction Agreement, the Trustee, when directed by the Issuer in writing, shall deliver to the Issuer on or prior to the twenty-fifth day of each month a statement as to (i) whether the Trustee has received the Income Certifications and the Certificate of Continuing Program Compliance required to be delivered by the Borrower by the fifteenth day of such month and (ii) whether any of the information contained in such documents indicates that the Borrower has failed to comply with any of the requirements contained in the Land Use Restriction Agreement. Initially the Issuer assumes responsibility, acting through its agents or contractors, to monitor the Borrower's compliance with the Land Use Restriction Agreement and therefore shall not require the Trustee to receive such reports, certificates and other documents other than the Certificate of Continuing Compliance.

Remedies; Enforceability

If a violation of any of the provisions of the Land Use Restriction Agreement occurs or is attempted and continues beyond the expiration of any applicable cure or grace period, the Issuer and its successor and assigns may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, including to compel specific performance thereunder. The provisions thereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Borrower or any other person or entity that has or had an ownership interest in the Project at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or similar breach or violation hereof at any later time or times. With the exception of the obligations of the Borrower to the Issuer and the Trustee regarding indemnification, the liability of the Borrower under the Land Use Restriction Agreement is and shall be limited to the interest of the Borrower in the Project, it being specifically understood and agreed that the Borrower and its partners shall not have any personal liability with respect to the obligations of the Borrower set forth herein, and that any party seeking to enforce personal liability against the Borrower shall look only to said interest of the Borrower or its partners for the satisfaction of such liability.

HUD Rider

The HUD Rider (the "Rider") attached to the Land Use Restriction Agreement forms an integral part of the Land Use Restriction Agreement and the terms thereof have been incorporated into the Land Use Restriction Agreement. The following definitions are used in the Rider and apply to the provisions summarized below.

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Owner and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Greystone Funding Company LLC, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Owner pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the Program Obligations.

"Security Instrument" means the mortgage or deed of trust from Owner in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

The following agreements have been made in the Rider:

1. Notwithstanding anything in the restrictive covenants (as described in the Land Use Restriction Agreement) to the contrary except the requirements in 26 U.S.C. 42(h)(6)(E)(ii), to the extent applicable, the provisions of the Restrictive Covenants are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the "HUD Requirements"). Owner covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Issuer's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Owner represents and warrants that to the best of Owner's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

2. In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate; provided, however, that notwithstanding any provision in the Land Use Restriction Agreement, the Restrictive Covenants or the Mortgage Loan Documents to the contrary, the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Restrictive Covenants shall be automatically reinstated if, at any time subsequent to such foreclosure or transfer by

deed in lieu of foreclosure, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Treasury Regulations) obtains an ownership interest in the Project for federal tax purposes.

3. Owner and the Issuer acknowledge that Owner's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

4. Except for the Issuer's reporting requirement, in enforcing the Restrictive Covenants the Issuer will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Owner is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Owner is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Owner is a non-profit entity, or
- iv. A HUD-approved collateral assignment of any HAP contract.

5. For so long as the Mortgage Loan is outstanding, Owner and Issuer shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

6. Subject to the HUD Regulatory Agreement, the Issuer may require the Owner to indemnify and hold the Issuer harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Issuer relating to the subordination and covenants set forth in the Restrictive Covenants; provided, however, that Owner's obligation to indemnify and hold the Issuer harmless shall be limited to available surplus cash and/or residual receipts of the Owner.

No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds or prohibiting the owner from taking any action that might jeopardize the tax-exemption except in strict accord with Program Obligations.

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APPENDIX C
PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds (as defined below) in definitive form, Bryant Miller Olive P.A., as Bond Counsel, proposes to render its final approving opinion with respect to such Bonds in substantially the following form:

_____, 2021

Housing Finance Authority of Palm Beach County, Florida
West Palm Beach, Florida

\$ _____
Housing Finance Authority of Palm Beach County, Florida
Multifamily Housing Revenue Bonds (Christian Manor),
Series 2021

Ladies and Gentlemen:

We have acted as Bond Counsel to the Housing Finance Authority of Palm Beach County, Florida (the "Issuer") in connection with the issuance and delivery by the Issuer of its \$ _____ aggregate principal amount of the Housing Finance Authority of Palm Beach County, Florida Multifamily Housing Revenue Bonds (Christian Manor), Series 2021 (the "Bonds"). The Issuer is a public body corporate and politic, established pursuant to Chapter 159, Part IV, Florida Statutes, as amended, Resolution No. R. 79-1150 of the Board of County Commissioners of Palm Beach County, Florida (the "Board") and Sections 2-181 through 2-191 Code of Ordinances of Palm Beach County, Florida (the "County") (collectively, the "Act"). The proceeds of the Bonds are being used to fund a loan by the Issuer to Christian Manor Restoration, LP, a Florida limited partnership (the "Borrower"), to finance a portion of the cost of the acquisition, rehabilitation, installation and equipping of a multifamily rental housing project (the "Project") to be occupied by "persons or families of low, moderate, or middle income," within the meaning of the Act.

In connection with the delivery of this opinion, we have examined the following: (a) the Act; (b) an executed copy of the Trust Indenture, by and between the Issuer and U.S. Bank National Association, as trustee (in such capacity, the "Trustee"), dated as of December 1, 2021 (the "Indenture"); (c) an executed copy of the Loan Agreement, by and between the Issuer and the Borrower, dated as of December 1, 2021 (the "Loan Agreement"); and (d) an executed copy of the Land Use Restriction Agreement, by and among the Issuer, the Trustee and the Borrower, dated as of December 1, 2021 (the "Regulatory Agreement"). In addition, we have examined and relied upon such other agreements, documents and opinions, including certificates and representations of public officials, officers and representatives of the Borrower, and various other parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions set forth below. All terms used herein in

capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Indenture and the Loan Agreement.

The Bonds are limited obligations of the Issuer payable, as to principal, premium (if any), and interest, solely from revenues derived from the operation of the Project arising from the pledge and assignment by the Issuer to the Trustee under the Indenture of certain payments to be made by the Borrower under the Loan Agreement. The Issuer has no taxing power. The Bonds shall not constitute an obligation, either general or special, of Palm Beach County, Florida (the "County"), the State of Florida (the "State") or of any local government thereof; and neither the County, the State, nor any local government thereof shall be liable thereon. Neither the faith, revenues, credit, nor taxing power of the County, the State, or any local government thereof shall be pledged to the payment of the principal of, premium (if any), or interest on the Bonds.

As to questions of fact material to our opinion, we have examined and relied upon representations of the Issuer, the Borrower, the Trustee, and the other parties contained in the certified proceedings related to the issuance of the Bonds, and other certifications of public officials and other persons furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation, or inspection of such matters and have relied solely on the facts, estimates, and circumstances described in such proceedings and certifications. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals, and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Greenspoon Marder LLP, serving as counsel for the Issuer, as to the due creation and valid existence of the Issuer, the due adoption of Resolution No. 2021-__, adopted by the Issuer on November 12, 2021 (the "Resolution") authorizing the issuance of the Bonds, the due authorization, execution, and delivery of the Bonds, and the compliance by the Issuer with all conditions precedent to the issuance of the Bonds required under applicable local laws, rules, and regulations.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State and federal income tax laws of the United States of America.

Based on our examination and the foregoing, we are of the opinion, as of the date hereof, that:

(1) Pursuant to the Act, the Issuer is empowered to enter into and perform its obligations under the Indenture and to issue the Bonds for the purpose of financing the Project.

(2) The Indenture has been duly authorized and executed by the Issuer and, assuming due authorization and execution thereof by the Trustee, is valid and binding upon the Issuer, and is enforceable in accordance with its terms, and the Bonds are entitled to the benefits and security of the Indenture for the payment thereof in accordance with the terms of the Indenture.

(3) The Loan Agreement and the Regulatory Agreement have been duly authorized and executed by the Issuer and, assuming due authorization and execution thereof by the other parties thereto, are valid and binding upon the Issuer, and are enforceable in accordance with their terms.

(4) The Bonds have been duly authorized, executed and issued by the Issuer in accordance with the laws of the State, including the Act, and represent the valid and binding limited obligations of the Issuer, enforceable in accordance with their terms and the terms of the Indenture.

(5) The Internal Revenue Code of 1986, as amended (the “Code”), contains certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for purposes of federal income taxation. Failure to comply with such requirements may cause the interest on the Bonds to become included in gross income retroactive to the date of issue of the Bonds. The Issuer has covenanted in the Indenture and the Borrower has covenanted in the Loan Agreement and the Regulatory Agreement, to take, or refrain from taking, such actions as are required under the Code to maintain the exclusion from gross income of the interest on the Bonds. Assuming continuing compliance by the Issuer and the Borrower with the above described covenants, under existing statutes, regulations, rulings, and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes of the owners of the Bonds, except that such exclusion shall not apply to interest on the Bonds for any period during which the Bonds are held by a person who is a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code. Additionally, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Other provisions of the Code may give rise to adverse federal income tax consequences to particular owners of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership of, or the receipt or accrual of interest on, or disposition of the Bonds.

In rendering the opinion in paragraph (5) above with respect to the Bonds, we have assumed continuous compliance with certain procedures designed to meet the requirements of Section 142(d) of the Code and the regulations thereunder or applicable thereto, including the requirements that for a period of time specified in Section 142(d) of the Code and the regulations thereunder (i) at least forty percent (40%) of the occupied rental units in a project must be initially occupied, and thereafter occupied or held available for occupancy on a continuous basis, by “individuals whose income is sixty percent (60%) or less of area median gross income,” within the meaning of the Code, and (ii) all of the units in a project must be available for rental on a continuous basis.

All opinions as to the enforceability of the legal obligations of the Issuer set forth herein are subject to and limited by (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws, in each case relating to or affecting the enforcement of creditors’ rights, and (ii) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief.

The scope of our engagement in relation to the issuance of the Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein, and our services as bond counsel to the Issuer have been limited to delivering the foregoing opinions based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We express no opinion as to the financial resources of the Borrower, its ability to provide for payment of the Bonds or the accuracy or completeness of any information that may have been relied upon by anyone in making the decision to purchase Bonds.

This opinion letter should not be construed as offering material, an offering circular, prospectus, or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Bonds. We have not been engaged nor have we undertaken to review or verify and therefore express no opinion herein as to the accuracy, adequacy, fairness, or completeness of any

official statement related to the Bonds or any other offering material related to the Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Bonds. In addition, other than as expressly set forth herein, we have not passed upon and therefore express no opinion as to the compliance by the Issuer, the Borrower, or any other party involved in this financing with, or the necessity of such parties complying with, any federal securities laws or state "Blue Sky," legal investment or other securities statute, regulation or ruling with respect to the sale or distribution of the Bonds. No opinion is expressed as to the perfection or priority of the lien on the Trust Estate created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. The legal opinions set forth herein are intended for the information solely of the addressees hereof and solely for the purpose of the contemplated transactions described herein, and are not to be relied upon by any other person or entity or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any government or other administrative agency or other person or entity for any other purpose without our prior written consent. The delivery of this letter to a non-client does not create an attorney-client relationship.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX D
CONTINUING DISCLOSURE AGREEMENT

\$ _____
Housing Finance Authority of Palm Beach County, Florida
Multifamily Housing Revenue Bonds
(Christian Manor), Series 2021

This Continuing Disclosure Agreement, dated as of December 1, 2021 (this “Continuing Disclosure Agreement”), is executed and delivered by Christian Manor Restoration, LP, a Florida limited partnership (the “Borrower”), and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”), for the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2021 (the “Indenture”) between the Housing Finance Authority of Palm Beach County, Florida (the “Issuer”) and U.S. Bank National Association, as trustee (the “Trustee”). Pursuant to the Indenture and the Loan Agreement, dated as of December 1, 2021, between the Issuer and the Borrower (the “Bond Loan Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower, which is deemed to be the “obligated person” as defined by the Rule (defined below), and the Dissemination Agent for the benefit of the Holders and in order to assist the Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any Person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement and Exhibit B attached hereto.

“*Audited Financial Statements*” means, in the case of the Borrower, the annual audited financial statements of the Borrower prepared in accordance with generally accepted accounting principles, if any.

“*Beneficial Owner*” shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean, with respect to the Borrower, the administrator of the Project or his or her designee, or such other Person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean U.S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

"Financial Obligations" shall mean a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Material Events" shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Underwriter" means Stifel Nicolaus & Company, Incorporated, and its successors and assigns.

Section 3. Provision of Annual Reports. (a) The Borrower will, or will cause the Dissemination Agent to, not later than 120 days following the end of the Borrower's fiscal year, commencing with the fiscal year ending December 31, 2021, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report of the Borrower may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of its Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing an Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send a notice to the MSRB in substantially the form attached as Exhibit A to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower's Annual Report will contain or incorporate by reference the financial information or operating data with respect to the Project, provided at least annually, of the type included in Exhibit B hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report when they become available; and

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a "Material Event"):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the

following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Material Event, pursuant to subsection (c) of this Section or otherwise, provide the Disclosure Representative with notice (by facsimile transmission confirmed by telephone). The Dissemination Agent shall not be deemed to have actual knowledge of those items listed in Section 5(a) above without the Dissemination Agent having received written notice of such event from the Borrower, provided, however, while the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i) and (xiv).

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Material Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than seven (7) Business Days after the occurrence of such event, determine if such event is in fact a Material Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsections (d) or (e) below, as applicable.

(d) If the Borrower has determined that a Material Event is required to be disclosed, then the Borrower shall prepare a written notice describing the Material Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (f) below.

(e) If the Borrower determines that an event is not required to be disclosed as a Material Event then the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been provided with a written notice describing a Material Event pursuant to subsection (c) of this Section or otherwise, and is instructed by the Borrower to report the occurrence of such Material Event, the Dissemination Agent shall, within three (3) Business Days of its receipt of such written notice, provided that the Borrower has complied with the notice requirements set forth in subsection (c), and no more than ten (10) Business Days after the occurrence of the Material Event, file the notice with the MSRB and send a copy to the Borrower. The foregoing notwithstanding, notice of a Material Event described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Indenture.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Trustee will agree to any amendment so requested by the Borrower) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Material Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Material Event under Section 5(f) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Dissemination Agent may (and, at the request of the Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, will), or the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court

order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Bond Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Trustee, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds and will create no rights in any other Person.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. Article XI of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent shall be entitled to the same protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their rights, obligations, powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Borrower under this Section shall survive the termination of this Continuing Disclosure Agreement, the resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Borrower, the Holders, or any other party. The Dissemination Agent shall not have any liability to the Holders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from the breach of this Continuing Disclosure Agreement.

The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Borrower. The Dissemination Agent is acting hereunder solely in an agency capacity and as such is merely a conduit for the Borrower, and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished hereunder. Any such information may contain a legend to that effect.

The Dissemination Agent shall have no obligation to make disclosure concerning the Bonds, the Project or any other matter except as expressly set out herein, provided that no provision of this

Continuing Disclosure Agreement shall limit the duties, trusts, rights, powers or obligations of the Trustee under the Indenture. The fact that the Dissemination Agent or affiliate thereof has or may have any banking, fiduciary or other relationship with the Borrower or any other party in connection with the Project or otherwise, apart from the relationship created by this Continuing Disclosure Agreement, shall not be construed to mean that the Dissemination Agent or affiliate thereof has knowledge or notice of any event or condition relating to the Bonds or the Project except in its respective capacities under this Continuing Disclosure Agreement.

No provision of this Continuing Disclosure Agreement shall require or be construed to require the Borrower or the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder.

The Annual Report may contain such disclaimer language as the Borrower may deem appropriate. Any information disclosed hereunder by the Dissemination Agent may contain such disclaimer language as the Dissemination Agent may deem appropriate.

The Borrower hereby agrees to compensate the Dissemination Agent for the services provided and the expenses incurred pursuant to this Continuing Disclosure Agreement, in an amount to be agreed upon from time to time hereunder, and to reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred by the Dissemination Agent hereunder (including any reasonable compensation and expenses of counsel) except any such expense, disbursement or advance that may be attributable to its negligence or willful misconduct.

The Dissemination Agent may consult with counsel of its choice and the written 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 it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to the Borrower.

No provision of this Continuing Disclosure Agreement shall require the Dissemination 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.

Section 11. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given at the addresses set forth in the Indenture. Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices of communications should be sent, effective only upon receipt.

Section 12. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Florida.

Section 13. Termination of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement may be terminated by any party to this Continuing Disclosure Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Continuing Disclosure Agreement; provided the termination of this Continuing Disclosure Agreement is not effective until (i) the Borrower, or its successor, enters into a new continuing disclosure agreement with a dissemination agent who agrees to continue to provide, to the MSRB and the Beneficial Owners of the Bonds, all information required to be communicated pursuant to the rules promulgated by the Securities and Exchange Commission or the MSRB, (ii) a nationally recognized bond counsel or counsel expert in federal

securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all applicable state and federal securities laws, and (iii) notice of the termination of this Continuing Disclosure Agreement is provided to the MSRB.

The Dissemination Agent shall be fully discharged at the time any such termination is effective. Also, this Continuing Disclosure Agreement shall terminate automatically upon (i) payment or provisions for payment of the Bonds, or (ii) when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

Section 14. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Electronic Signatures. The parties agree that the electronic signature of a party to this Continuing Disclosure Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Continuing Disclosure Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (PDF) or other replicating image attached to an electronic mail or internet message.

[Remainder of Page Intentionally Left Blank]

[Borrower's Signature Page to Continuing Disclosure Agreement]

CHRISTIAN MANOR RESTORATION, LP, a Florida limited partnership

By: PHASE Housing Corporation, Inc., a Florida not-for-profit corporation, as the General Partner

By: _____
Name: _____
Title: _____

[Counterpart Signature Page to Continuing Disclosure Agreement]

U.S. BANK NATIONAL ASSOCIATION, as
Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Housing Finance Authority of Palm Beach County, Florida

Name of Bond Issue: Multifamily Housing Revenue Bonds (Christian Manor), Series 2021

Name of Borrower: Christian Manor Restoration, LP

Date of Issuance: December __, 2021

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the "Borrower") has not provided an Annual Report in connection with the above-named bonds (the "Bonds") as required by a Continuing Disclosure Agreement, dated as of December 1, 2021 (the "Continuing Disclosure Agreement"), between the Borrower and U.S. Bank National Association, as dissemination agent (the "Dissemination Agent"). The undersigned has been informed by the Borrower that it anticipates that the Annual Report will be filed by _____.

Dated:

U.S. BANK NATIONAL ASSOCIATION, as
Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT B

ANNUAL REPORT

\$ _____

**Housing Finance Authority of Palm Beach County, Florida
Multifamily Housing Revenue Bonds
(Christian Manor), Series 2021**

CUSIP: 696513 ____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Christian Manor
Address:	325 Executive Center Drive, West Palm Beach, Florida 33401
Number of Units:	200

OPERATING HISTORY OF THE PROJECT

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, 20__, as derived from the Borrower's audited financial statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending December 31, _____	
Revenues	
Operating Expenses ¹	
Net Operating Income	
Debt Service on the [Bond Series Name] Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

¹ Excludes depreciation and other non-cash expenses.

Occupancy Results for Fiscal Year Ending December 31, _____	
Physical Occupancy	____%
Economic Occupancy ¹	____%

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

Tab 3

VI. New Business - attachments

- a.** Everglades Townhomes Apartments – Oikos Development – presentation of bond application and inducement
 - i. Multifamily housing bond application w.exhibits
 - ii. Resolution R-2021-17
- b.** Indian Trace Apartments – consent to sale
 - i. Resolution R-2021-18
- c.** Approval of meeting schedule for calendar year 2022
 - i. Meeting schedule



Oikos Development Corporation
1712 Main Street
Suite 206
Kansas City, MO 64108
msnodgrass.odc@gmail.com

November 4th, 2021

David Brandt
Executive Director
Housing Finance Authority of Palm Beach County
100 Australian Avenue, Suite 410
West Palm Beach, FL 33406

RE: Everglades Townhomes LP Bond Request

Dear Mr. Brandt:

Oikos Development Corporation (ODC), a not-for-profit 501c3 and Managing Member of Everglades Townhomes LP submits the attached application and exhibits requesting the issuance of bonds in the amount of \$14,000,000 for the Everglades Townhomes project in Pahokee, Florida.

The Everglades Townhomes project in Pahokee consists of 60 units of affordable workforce housing for farmworkers. USDA has committed \$3,000,000 in soft funds through a competitive process under the USDA 514 program along with full Rental Assistance on all units. The balance of the funding will be 4% tax credits in a QCT, along with USDA 538 permanent financing (40 year amortization)

The site is the former Everglades Memorial Hospital, which set empty and dilapidated for decades. The City of Pahokee was able to leverage our \$3,000,000 in USDA obligated funds to secure the funds to demolish and clear the hospital site.

The development/ownership partnership under Everglades Townhomes LP consists of:

- Oikos Development Corporation – A nonprofit 501c3 with Michael Snodgrass as President/CEO. Michael has 30 years of nonprofit affordable housing experience and past/current tax credit experience.
- CM Development – Manager is Jeff Carpenter. CM Development has the balance sheet to serve as the personal guarantor for the project
- Gridiron Development – Consisting of Rickey Jackson. Rickey is not only a Hall of Fame Linebacker for New Orleans and San Francisco, but is from Pahokee Florida and has a deep passion for the City.

ODC and our partners are excited about this project, and request the approval of the bonds.

Thank you for your consideration.

Sincerely,

Michael Snodgrass
President/CEO

APPLICATION

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

A. Developer Information:

1. Applicant Name: Everglades Townhomes LP
2. Name of Owner for Inducement Resolution: Everglades Townhomes LP
3. Type of Entity (e.g. Florida corporation, limited partnership, etc):
Ownership chart of the Entity including individual principals is provided as
“Exhibit 1”.
4. Address: 1712 Main Street, Suite 206, Kansas City, MO 64108
5. Contact Person: Michael Snodgrass
6. Telephone: 816-352-4258
7. E-mail address: msnodgrass.odc@gmail.com

B. Project Information

1. Project Name: Everglades Townhomes

NOTE: After Inducement, Project name MAY NOT BE CHANGED OR
ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide
the actual trade, 'marking' or d/b/a name.
2. Project Street Address/Zip Code (if new construction, give street names, city and
zip code): 200 S Barfield Hwy, Pahokee, FL 33476
3. County Commission District in which Project is Located: District 6

C. Project Category and Population:

1. Choose all that apply:

New Construction	XAcquisition	Remarketing
Rehabilitation	Refunding	Acquisition/Rehab

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

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

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

D. Project Status:

Has construction begun? No ☒ Yes Date permits issued

Is the project complete? No ☒ Yes Date CO issued

E. Number of Units: Total

Number of Units: Sixty (60)

Number of Residential Units: Sixty (60)

Number of Set-Aside Units: Sixty (60)

Percent of Set-Aside Units: 100%

F. Manager/Employee Units:

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

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

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

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

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project)	Net Rent for Set- Aside Units	Monthly Market Rent+
2	1	955	4	60%	1150	100	1050	
2	1	979	26	60%	1150	100	1050	
3	2	1055	12	60%	1280	130	1150	
3	2	1107	10	60%	1280	130	1150	
3	2	1137	8	60%	1280	130	1150	

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

Utility allowance of \$ 1 bedroom 2 bedroom 3 bedroom 4 bedroom

+ NOTE: Answer for market rate units only.

USDA Rental Assistance will be provided to ALL 60 units who qualify as “farmworkers” as defined by USDA, which includes not only field workers, but truck drivers to the mills/stores, and sugar mill workers directly. The RA works similar to Section 8 vouchers in that workers pay no more than 30% of their income on rent.

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

CHOOSE ONLY ONE:

20% of units at 50% of area median income

40% of units at 60% of area median income - X

I. Describe Project:

Everglades Townhomes is a 60 unit, residential project sitting on the site of the former Everglades Memorial Hospital in Pahokee, FL. Not included in the bond application but in the overall project is a 10,000 sq ft building to be used for Head-Start/childcare. A site plan is attached as Exhibit 7.

Oikos Development Corporation (ODC), a not-for-profit 501c3 has received \$3,000,000 in USDA 514 for the purpose of developing this project.

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

- All units will have off-street parking with 2 spots/unit.
- Playground
- Energy star appliances
- Solar for reduction of utilities on each unit
- Energy-star Washer/dryer in each unit

In addition, a 10,000 sq ft community space/childcare will be in the center of the development, BUT, it is not part of this 60 unit housing project as it will be funded with USDA Community Facilities funds, a completely separate funding stream. It is our goal to have the childcare provider offer before/after child care and activities for all the youth in the community. The application has been submitted to USDA Community Facilities group.

K. Will any units be accessible to the handicapped?

YesX No How many? 5% is required, but we are intending to offer 4 units.

L. Type of Building(s):

Elevator Walkup X Townhouse X
Detached Semi-detached

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

See matrix under G above and site plan and elevations
5 buildings of 12 units each
2 story except where ADA units are present on lowest floor, in which case a 2 story townhome is
above making a 3 story.

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

Yes No

If no, explain:

O. **Project Financing And Proposed Structure:**

1. Overview of Proposed Financing Summary:

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

	Check If app.	Amount	% of Project Cost
Tax-exempt Bonds	X	\$14,000,000	
Taxable Bonds			
SAIL			
HOME (State Funds)			
Perm Sources			
USDA 538	X	\$6,287,405	39%
LIHTC Equity (4% credits)	X	\$6,852,330	42%
Other USDA 514	X	\$3,000,000	19%
Total			

Briefly describe sources listed above:

ODC has received \$3,000,000 obligation in USDA 514/516 for working farmworkers. The USDA 514/516 was awarded as part of a nationwide NOSA. 514/516 obligation letter attached as **Exhibit 8**.

2. Subordinate Financing: n/a

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms, amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **“Exhibit n/a .”**
- (b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **“Exhibitn/a .”**

- (c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? **Yes** No

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

Yes ☒ No ☐

(a) If yes, LIHTC Requested Amount \$778,752 annually

(b) If yes, name of Syndicator: Hunt Capital Partners LLC

A preliminary commitment letter, including general terms such as a description of how the syndication funding will be paid out during construction and following completion, must be attached hereto. Said letter shall be attached hereto as "**Exhibit 2** ."

(c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes ☒ No ☐
If yes evidence of such designations are attached as "**Exhibit's 3** ."

(d) If the project is subject to a FHFC location restriction (LDA) area attach a description as "**Exhibit** ."

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

No ☐ Yes ☒

If yes, check all that apply:

Moderate Rehab

RD

Section 8

Other

Number of units receiving assistance 60

Number of years remaining on rental assistance contract: n/a

Number of years expected for new rental assistance contract:

1 year contracts renewable every year, however, this is a permanent program and typically the agreements for the project are for 40 years.

5. Credit Enhancement or bond purchaser: **Hunt Capital Partners LLC**

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (FHA-insured loan, Fannie Mae or Freddie Mac), surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

Bond purchaser will also serve as construction lender for the project. Hunt Capital will be syndicator of 4% tax credits. Its investor is likely to be the bond purchaser.

A preliminary commitment letter/term sheet from the provider of such financing/credit enhancement shall be attached hereto as **“Exhibit 2”**

6. Proposed bond structure:

Type of interest rate expected: **X** fixed floating

Term of Bonds including option put: **n/a**

Estimated interest terms: **to be determined**

Placement structure: **X private placement** public offering

7. Economic Feasibility of the Project:

A description of the Project feasibility structure shall be attached hereto as “**Exhibit 4**” including, at a minimum, the following:

- (a) Pro forma cash flows at maximum interest rate at which Project will work;
- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs. See attached 1924-13 tab on **Exhibit 4**.
- (c) The maximum annual debt service at which the Applicant commits to proceed: \$424,000
- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$14,000,000

P. Proposed Project Schedule

<u>Activity</u>	<u>Date</u>
HFA board meeting to consider application	11/2021
Final site plans & architectural drawings	10/2021
Complete third party credit underwriting	12/2021
Approval of subordinate financing	9/2019
All other necessary local approvals	9/2021
Obtain Credit Enhancement/Bond Purchase Commitment	12/2021
HUD approvals (if applicable)	n/a
Issue bonds	2/1/2022
Start construction or rehabilitation	2/1/2022
Complete construction or rehabilitation	2/1/2023
Start rent-up	2/1/2023
Complete rent-up	6/1/2023

Q. Ability To Proceed

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

1. Site Control

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

Site is controlled by: Oikos Development Corporation

Evidence of Site Control shall be attached hereto as “**Exhibit 5**” and shall be in the form of either:

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

2. Zoning and Land Development Regulations:

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

- (a) Is the site appropriately zoned for the proposed Project?
No **Yes**
- (b) Indicate zoning designation(s): MF18
- (c) Current zoning permits 18 units per acre, or units for the site (PUD).
- (d) Total number of Units in Project: 60
- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as **Exhibit6**

3. Site Plan:

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

Yes No **Final Site Plan Approval is IN process**

If yes, a copy of the approved site plan shall be attached hereto as
“**Exhibit 7** .”

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

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

Yes No

4. Environmental:

Has an Environmental Assessment been completed and if so describe any
required remedial action necessary:

**Yes. Site is in an AE 13 zone, and a CLOMR was
requested/received. Site will be built above the flood plain and
verified after construction.**

5. Concurrency:

Project-specific letters from the local government or provider verifying
availability of infrastructure and capacity (water, sewer, road, and school)
for the proposed Project shall be attached hereto as “**Exhibit 9** .”

R. Other Information:

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

Yes **No X**

- (b) How many and what type of projects have you completed in the
Palm Beach County? None in Palm Beach County

- (c) Applicant/borrower GP:
Firm: Everglades Townhomes LP
Phone: 816-352-4258
Natural principals:
Contact Person: Michael Snodgrass

(d) Developer:

Firm: Everglades Townhomes LP

Phone: 816-352-4258

Natural principals:

Contact Person: Michael Snodgrass

Firm: Everglades Townhomes LP
Phone: 816-352-4258
Natural principals:
Contact Person: Michael Snodgrass

(e) Proposed Architect:
Firm: Cathexes
Phone: 775-329-3341 ext 5
Contact Person: Don Clark/Phil Davis

(f) Proposed Managing Agent:
Firm: Van Binsbergen
Phone: 320-269-1050
Contact Person: Sara Wohlers

(g) Proposed General Contractor:
Firm: OCM Builders
Phone: 816-352-4258
Contact Person: Michael Snodgrass

(h) Proposed Developer's Attorney
Firm: Burke Blue
Phone: 850-215-6604
Contact Person: Nevin Zimmerman

(i) Proposed Investment Banker:
Firm: Hunt Capital Partners LLC
Phone: 617-335-2905
Contact Person: Richard Coomber

(j) Proposed Credit Underwriter:
Firm: Seltzer Management Group
Phone: (850) 233-3616
Contact Person: Ben Johnson

(k) Provide the following for the property/project seller or lessor:
Entity: Oikos Development Corporation
Phone: 816-352-4258
Contact Person: Michael Snodgrass

[Remainder of page intentionally left blank]

Certificate of Understanding

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

Dated on this 15th day of October , 2021 .

By: 
Printed Name: Michael Snodgrass
Title: Managing Member

Credit Enhancer/Bond Purchaser Certificate of Understanding

I, Richard Coomber, representing Hunt Capital Partners, LLC, have read and understand the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby agree to adhere thereto.

Dated on this 18th day of October, 2021.

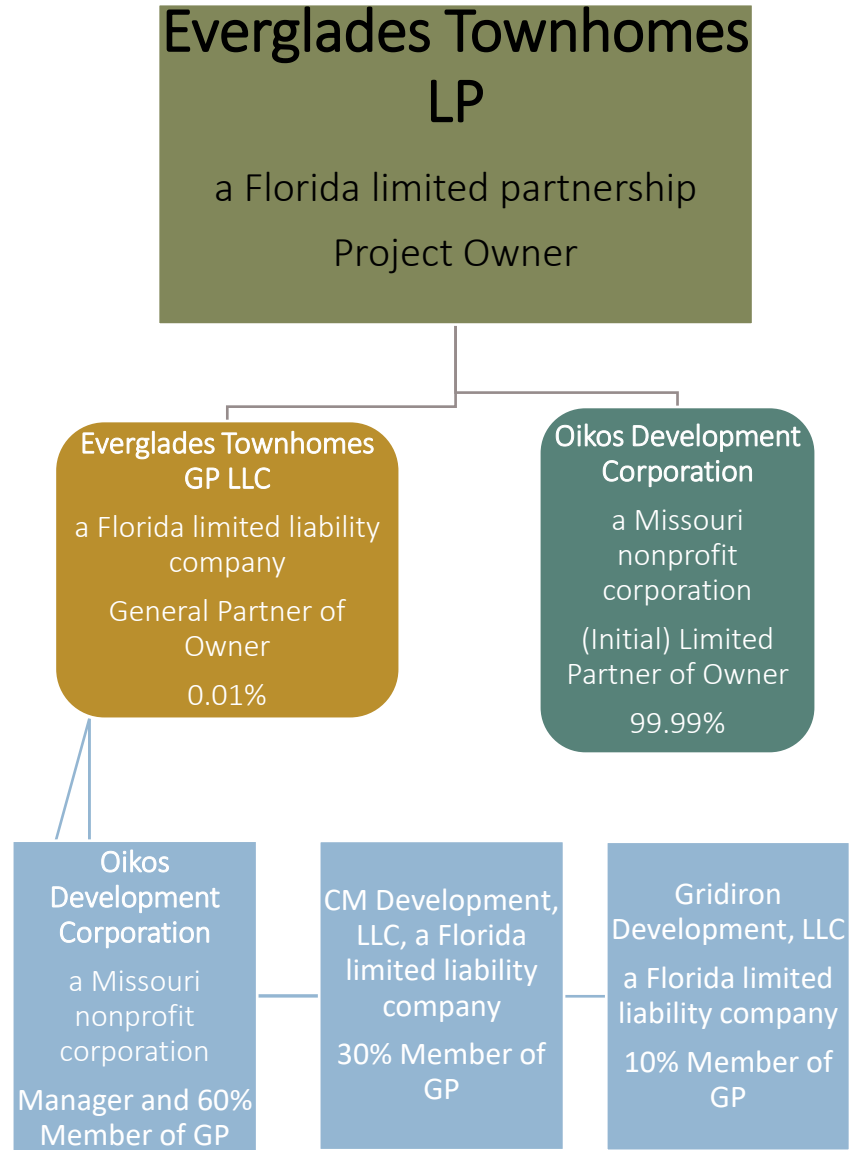
By: 

Printed Name: Richard Coomber

Title: Director

EXHIBIT 1
ORGANIZATIONAL

Organizational Chart for Everglades Townhomes Pahokee, Florida



Signature block:

EVERGLADES TOWNHOMES LP,
a Florida limited partnership

By: Everglades Townhomes GP LLC, a Florida limited liability company,
its General Partner

By: Oikos Development Corporation, a Missouri nonprofit corporation, its
Manager

By: _____
Michael Snodgrass, Executive Director

Certificate of Limited Partnership

A21000000288
FILED
June 18, 2021
Sec. Of State
msolomon

Name of Limited Partnership:

EVERGLADES TOWNHOMES LP

Street Address of Limited Partnership:

1712 MAIN STREET
SUITE 206
KANSAS CITY, MO. US 64108

Mailing Address of Limited Partnership:

1712 MAIN STREET
SUITE 206
KANSAS CITY, MO. US 64108

The name and Florida street address of the registered agent is:

FLORIDA REGISTERED AGENT LLC
7901 4TH ST N
STE 300
ST. PETERSBURG, FL. 33702

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: BILL HAVRE

The name and address of all general partners are:

Title: G
EVERGLADES TOWNHOMES GP LLC
1712 MAIN STREET, SUITE 206
KANSAS CITY, MO. 64108 US

Signed this Eighteenth day of June, 2021

I (we) declare the I (we) have read the foregoing and know the contents thereof and that the facts stated herein are true and correct.

General Partner Signature: ANDREW MCGREW

The individual(s) signing this document affirm(s) that the facts stated herein are true and the individual(s) is/are aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S.

EXHIBIT 2
SYNDICATOR LETTER



September 28, 2021

Michael Snodgrass
Oikos Development
600 N 17th Street
Kansas City, KS 66102

Re: Everglades Memorial Townhomes, a 60 unit affordable housing development to be located in Pahokee, Palm Beach County, Florida, and developed, constructed, owned and operated by to-be-formed Florida limited partnership (the "Partnership"), in compliance with Section 42 of the *Internal Revenue Code of 1986* ("IRC")

Dear Mr. Snodgrass:

It has been a pleasure working with you regarding the above referenced project. Hunt Capital Partners, LLC ("HCP") submits this preliminary commitment to provide tax-exempt construction loan financing for this project through direct purchase of tax-exempt bonds by HCP's investor on the terms and conditions set forth below.

Borrower: to-be-formed partnership

Property Address: 200 South Barfield Highway, Pahokee, FL

Construction Loan Amount: \$14,000,000

Term: The period of time until the project reaches rental achievement for three (3) consecutive months but not greater than twenty-four (24) months. Stabilization shall be defined as not less than 90% of the units leased and occupied to qualifying tenants at rental rates approved by the lender. The construction loan will have one six (6) month extension at the borrower's option.

Interest rate: The interest rate will be set at the time of closing. The rate will be Prime plus 400 basis points. The interest rate will be variable for the term of the loan.

Origination Fee: 1.25% paid at closing, plus 0.75% for any extension.

Application Fee: \$5,000

Conversion Fee:	\$7,500
Recourse:	Full recourse until Stabilization. Personal guarantees required
Anticipated Funding Date:	2/1/2022
Loan Size:	Loan is limited to 60% of costs; and the amount of the permanent loan.
Security:	First priority mortgage encumbering the referenced project. First security interest in all furniture, fixtures, equipment, permits, documents and contracts. First priority assignment of leases, rents, profits, licenses, permits and contracts. A pledge of all escrow and reserve accounts.
Third Party Reports:	An appraisal, environmental assessment report, and building condition survey, acceptable to HCP in its sole authority, dated not more than six (6) months prior to closing will be required. The aforementioned third party reports must be received not less than 30 days prior to closing.
Additional Loan Expenses:	The borrower will pay all customary closing costs, including but not limited to, HCP's application and conversion fees, HCP's legal fees, and third party due diligence reports.
Contingency:	In order to close, Borrower must satisfy conditions including but not limited to: (i) closing of the LIHTC Partnership and admission of the Limited Partner, (ii) funding of at least 10% of the Limited Partner's aggregate capital contribution, (iii) Closing of all subordinate financing, (iv) acceptance by the Partnership of a permanent loan commitment acceptable to the HCP, (v) receipt and approval by HCP of construction plans and specifications and related construction due diligence; (vi) no defaults or material adverse change in the financial condition of the Project, Borrower, Key Principals or any other feature of the transaction from that which existed on the Commitment Acceptance Date in HCP's sole discretion; and (vii) approval of the Loan by the HCP's Investment Committee
Assignment:	HCP shall have the right to assign its rights and obligations hereunder.

If the above arrangement is acceptable to you, please execute and return this Term Sheet, by the close of business on October 1, 2021, otherwise this letter shall become null and void.

We look forward to working with you to bring this loan to a rapid closing. If you have any questions please call Richard Coomber at 617-335-2905.

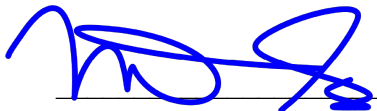
Sincerely,

Dana Mayo
Executive Managing Director
Hunt Capital Partners, LLC



AGREED and ACCEPTED:

To-be-formed limited partnership

By: _____

September 30th, 2021
Date

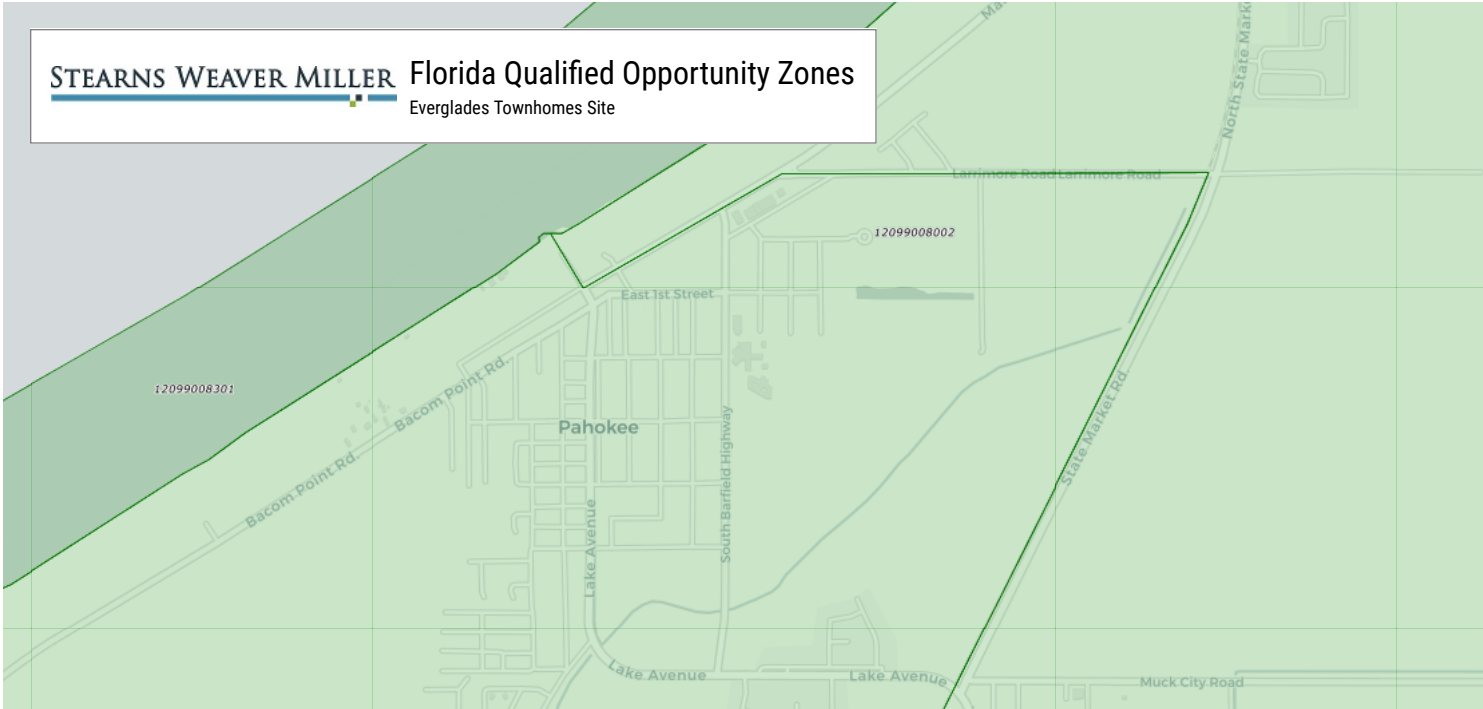
Name: Michael Snodgrass

Title: President/CEO

Cc: Tim Rogers (Oikos Development)
Richard Coomber (Hunt Capital Partners)
Christian Trane (Hunt Capital Partners)

EXHIBIT 3

QCT MAP AND OPPORTUNITY ZONE



FL QOZs

ADJACENT TRACTS

300 m

1000 ft



ABOUT PD&R

RESEARCH & PUBLICATIONS

DATASETS

PD&R STUDIES

QUICK LINKS

EVENTS



200 S Barfield Hwy

Go

Select a State



Select a County



Go

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

QCT Legend:

Tract Outline



LIHTC Project



2022 Qualified Census Tracts

SADDA Legend:

FMR Boundary

ZCTA Boundary



2022 Small DDA



Part DDA



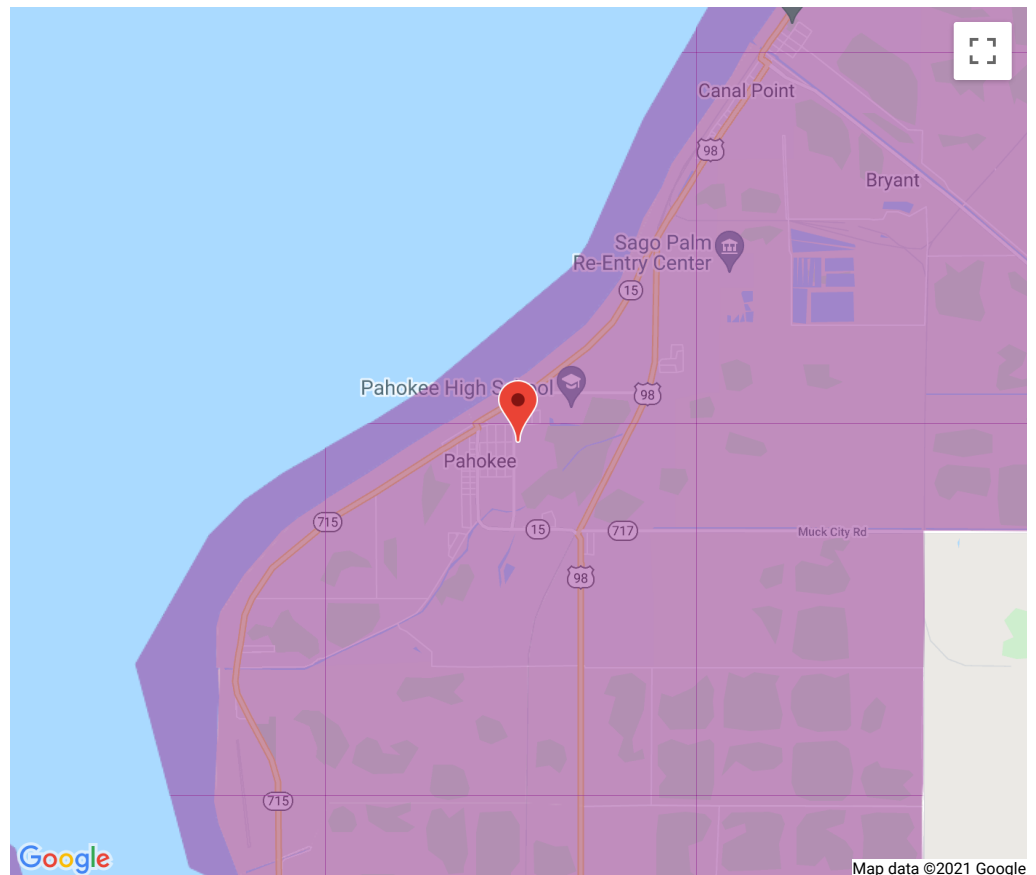
Non Metro DDA

[Hide the overview](#)

The 2022 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2022. The 2022 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 9, 2021

Map Options

13 Current Zoom Level

☐ Show Difficult Development Areas (Zoom 7+)☒ Color QCT Qualified Tracts (Zoom 7+)☐ Show Tracts Outline (Zoom 11+)☐ Show FMR Outlines (Zoom 4+)☐ Show LIHTC Projects (Zoom 11+)[Click here for full screen map](#)**Select Year**☒ 2022☐ 2021

1.6K

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HUD USER

P.O. Box 23268, Washington, DC 20026-3268

Toll Free: 1-800-245-2691 **TDD:** 1-800-927-7589

Local: 1-202-708-3178 **Fax:** 1-202-708-9981

EXHIBIT 4

EVERGLADES TOWNHOMES PROFORMA

Schedule 1 - PROJECT DESCRIPTION

[TOC](#)

Project Name	Everglades Townhomes	Lender -- Perm	Bonneville - USDA 538
Location		Lender -- Construction	tbd
City	Pahokee	LIHTC Investor	Hunt Capital
County	Palm Beach	Engineer	Klima Weeks
State	Florida	Consultant	Lisa Lacock/Jeff Sharkey
Type of Project	Farmworker/Workforce	Project Architect	Cathexes
Number of Units	60	Contractor	OCM Builders
State Housing Finance Agency		Market Study Appraiser	tbd by FHFA
Name	FHFA	Legal	Barhost & Ramsey/Burke&Blue
Address		General Partner/Developer	Everglades Townhomes GP
Contact		Accountant	Tidwell
Phone			
Fax			
Email			
Application Dates			
Application Workshops			

Construction Information

Construction Start	February, 2022	Lease Up Period (Months)	6	
Construction Loan Period	18	Units Per Acre	12	
<u>Unit Mix</u>	<u># Units</u>	<u>Unit % of Total</u>	<u>SF Per Unit</u>	<u>Total SF</u>
2 BR 30%		0.0%		-
3BR 30%		0.0%		-
2 BR 40%		0.0%		-
3 BR 40%		0.0%		-
2 BR 50%		0.0%		-
3 BR 50%		0.0%		-
2 BR 60%	30	50.0%	950	28,500
3 BR 60%	30	50.0%	1,150	34,500
2 BR 70%		0.0%		-
3 BR 70%		0.0%		-
2 BR 80%		0.0%		-
3 BR 80%		0.0%		-
2 BR Market		0.0%		-
3 BR Market		0.0%		-
Common Area				-
TOTAL	60	100.0%		63,000

Budget

Acquisition Cost (Building/Land)	260,000	7.00 acres	0.85 \$/sqft
Construction Budget -- Hard Costs + Fees	\$	-	
Total Development Budget	\$	16,139,736	

Schedule

Application Deadline	September, 2021	Forecast Start - Construction Period	February, 2022
Reservation	January, 2022	Projected Construction Loan Closing	February, 2022
Projected Allocation Date		Projected Construction Completion/COO	February, 2023
Disposition Date		Projected Stabilization	November, 2023

LEGEND

Input	Input Fields
Not For Print	Not for Print

1924-13 - DEVELOPMENT BUDGET		Per unit Cr	60	Eligible	Ineligible
1	Concrete		\$ 1,340,954.50	\$ 1,340,954.50	
2	Masonry		\$ 141,000.00	\$ 141,000.00	
3	Metals		\$ -	\$ -	
4	Rough Carpentry		\$ 1,411,465.00	\$ 1,411,465.00	
5	Finish Carpentry		\$ 552,970.00	\$ 552,970.00	
6	Waterproofing		\$ 25,000.00	\$ 25,000.00	
7	Insulation		\$ 257,895.00	\$ 257,895.00	
8	Roofing		\$ 240,000.00	\$ 240,000.00	
9	Sheet Metal		\$ -	\$ -	
10	Doors		\$ 178,200.00	\$ 178,200.00	
11	Windows		\$ 76,500.00	\$ 76,500.00	
12	Glass		\$ -	\$ -	
13	Drywall		\$ 458,400.00	\$ 458,400.00	
14	Tile Work		\$ -	\$ -	
15	Acoustical		\$ -	\$ -	
16	Resilient Flooring		\$ -	\$ -	
17	Painting and Decorating		\$ 363,600.00	\$ 363,600.00	
18	Specialties		\$ 357,500.00	\$ 357,500.00	
19	Spical Equipment		\$ -	\$ -	
20	Cabinets		\$ -	\$ -	
21	Appliances		\$ 194,400.00	\$ 194,400.00	
22	Blinds/Shades		\$ 18,000.00	\$ 18,000.00	
23	Carpets		\$ 132,840.00	\$ 132,840.00	
24	Special Construction		\$ 504,000.00	\$ 504,000.00	
25	Elevators		\$ -	\$ -	
26	Plumbing and Hot Water		\$ 688,710.00	\$ 688,710.00	
27	Heat and Ventilation		\$ 388,800.00	\$ 388,800.00	
28	Air Conditioning		\$ -	\$ -	
29	Electrical		\$ 339,750.00	\$ 339,750.00	
30	Earth Work		\$ 150,000.00	\$ 150,000.00	
31	On-Site Utilities		\$ 200,000.00	\$ 200,000.00	
32	Raods and Walks		\$ 200,000.00	\$ 200,000.00	
33	ON-Site Improvements		\$ 300,000.00	\$ 300,000.00	
34	Lawns and Planting		\$ 150,000.00	\$ 150,000.00	
35	Unusual On-Site Conditions		\$ 812,500.00	\$ 812,500.00	
36	Off-Site Development		\$ -	\$ -	
37	Miscellaneous (solar)		\$ 175,000.00	\$ 175,000.00	
38	Total Hard Costs	\$ -	\$ 9,657,484.50	\$ 9,657,484.50	
39	General Requirements		\$ 676,023.92	\$ 676,023.92	7% \$ 135,204.78
40	General Overhead		\$ 482,874.23	\$ 482,874.23	5% \$ 96,574.85
41	Other Fees Paid by Contractor - Const Bond Fee		\$ 100,000.00	\$ 100,000.00	
42	Total Costs		\$ -	\$ -	
43	Builders Profit		\$ 676,023.92	\$ 676,023.92	7% \$ 135,204.78
44	Total Construction Costs	\$ -	\$11,592,406.56	\$ 11,592,406.56	
45	Architectural Fees		\$ 347,772.20	\$ 347,772.20	
46	Survey and Engineering		\$ 115,924.07	\$ 115,924.07	
47	Financing Costs		\$ 160,756.10	\$ 160,756.10	
48	Interest During Construction		\$ 247,500.00	\$ 247,500.00	
49	Closing Costs & legal Fees		\$ 22,500.00	\$ 22,500.00	
50	Land Cost or Value		\$ 260,000.00		\$ 260,000.00
51	Nonprofit O&M Capital		\$ 25,000.00	\$ 25,000.00	
52	Tap and/or Impact Fees		\$ 112,500.00	\$ 112,500.00	
Line 53	Tax Credit Fees		\$ 425,000.00		below
54	Environmental Fees		\$ 15,000.00	\$ 15,000.00	
55	market Study Cost		\$ 6,500.00	\$ 6,500.00	
56	Const Period Taxes		\$ 25,000.00	\$ 25,000.00	
line 57	Other (see below)		\$ 1,082,114.23		
58	Soft Cost Contingency)		\$ 100,000.00	\$ 100,000.00	
	Development Fee on 4%/538 Loan		\$ 1,601,762.55	\$ 1,601,762.55	\$ 800,881.28
			\$ -	\$ -	
59	Total Development Cost		\$16,139,735.69	\$ 14,372,621.47	
			\$ -	\$ -	

		\$ -	\$ -	
		\$ -	\$ -	
Line 57			\$ -	
Builders Risk Insurance		\$ 45,000.00	\$ 45,000.00	
Appraisal		\$ 3,000.00	\$ 3,000.00	
Accounting/Cost Certification		\$ 12,500.00	\$ 12,500.00	12500
Prev Wage Consultant	=	\$ 25,000.00	\$ 25,000.00	
Common Area/Playground Equipment		\$ 35,000.00	\$ 35,000.00	
Construction Contingency		\$ 482,874.23	\$ 482,874.23	
Line 57 cont			\$ -	
Reserves Operating Reserve		\$ 263,340.00	\$ 263,340.00	\$ 263,340.00
Lease-Up Reserve		\$ 125,400.00	\$ 125,400.00	\$ 125,400.00
Replacement Reserves		\$ 90,000.00	\$ 90,000.00	\$ 90,000.00
		\$ -	\$ -	
Total Line 57		\$ 1,082,114.23		
Line 53 Bond Counsel			\$ 95,000.00	
Bond Fees			\$ 200,000.00	
Project Counsel			\$ 35,000.00	
Lender Counsel			\$ 35,000.00	
Lender Fees			\$ 60,000.00	\$ 60,000.00
total Line 53		\$ 425,000.00		
				\$14,787,614.42
			\$ 14,975,995.69	\$ 1,163,740.19
			4% eligible costs	ineligible
				\$16,139,735.88

Perm loan and Gap

Total Development Costs	\$ 16,139,735.69
Agency Funds	
Less: USDA "Loan/grant"	\$ (1,500,000.00)
Less: USDA Loan	\$ (1,500,000.00)
Less: Owner Contribution/HOME	
Less: Owner Contribution (other)	
Less: 4% Tax Credits	\$ (6,852,330.33)
Perm Loan	
USDA 538	\$ 6,287,405.36
Perm Debt Origination Fee	0.50

0 0 2,257,000
0

Circular Reference	
Corrections	
	2.5%
600	1.25%

39%

Costruction Loan Calculation

Total Development Costs	16,139,736
Less: Reserves	478,740
Less :1/2 dev fee	800,881
Less: Tax Credit Equity during const	1,027,850
Less:	0
Subtotal	13,832,265
Construction Loan Interest	332,839
Construction Loan Amount	14,165,104
Origination Fee	0
Rate	3.8%
Months	11

LTC

0.877654

	0.00%

Schedule 5 - TAX CREDIT CALCULATION

Johnson County

Total Eligible Basis	QCT or DDA? Yes	\$ 14,975,996
Less: Grant		
QCT - Opportunity Zone Adjustments		130.0%
Total Adjusted Basis		\$ 19,468,794
Multiplied by Applicable Fraction (% Affordable Units)		100.0%
Total Qualified Basis		\$ 19,468,794
Multiplied by Applicable Percentage for Credits		4.00%
4% Credits Requested	4.0%	\$ 778,752
Total Credit Request		\$ 778,752
		\$ 7,787,518

SYNDICATED TAX CREDITS		
Total Credits (10 Years)		\$ 778,751.78
LP Ownership Interest	99.99%	\$ 778,674
Syndication Price		\$ 0.8800
Syndicator Tax Credit Equity		\$ 6,852,330
Annual Allocation (10 yrs)		\$ 685,233

STATE TAX CREDIT CALCULATION - Stimulus		
Total Eligible Basis	QCT or DDA? QCT	\$ 14,975,996
High Cost Area Adjustment		
Total Adjusted Basis		\$ -
Multiplied by Applicable Fraction (% Affordable Units)		100.0%
Total Qualified Basis		\$ -
Multiplied by Applicable Percentage for Credits		4.00%
Total Credits Requested		\$ -
Stimulus Allocation	0.0%	\$ -
Total Credits (10 Years)		\$ -
LP Ownership Interest		\$ -
Syndication Credit Price		\$ -
State Tax Credit Equity		\$ -
Annual Allocation (10 yrs)		\$ -

HISTORIC TAX CREDIT CALCULATION		
Total Eligible Basis - Check eligible basis		
Multiplied by HTC Basis Percentage	100.0%	
State Historic Credit	25.0%	\$ -
Federal Historic Credit	20.0%	\$ -
Syndicated Value		
State Historic Credit	\$ -	\$ -
Federal Historic Credit	\$ -	\$ -
Total Credit Value		\$ -
Annual Allocation (5 yrs)		\$ -

TOTAL EQUITY AVAILABLE (State + Federal)	\$ 6,852,330
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Operating Proforma

Everglades Townhomes - USDA 514/516

60 units

NO. OF Units	Unit Type	Av.Net SQ.FT./Unit	Rent (Monthly)	Utility Allowance	Rent + UA	Max Rents	% of Max Rents	Revenue (Monthly)
	AMI	Farmworker	100%					
30	60% 2 BD		1050	100	1150	1,156		31,500
30	60% 3 BD		1150	130	1280	1,284		34,500
Total								66,000
Annual GPI								792,000

		YR 1	YR 2	YR 3	YR 4	YR 5	YR 6
Gross Rent	2%	792,000	807,840	823,997	840,477	857,286	874,432
Less: Vacant	5%	-39,600	-40,392	-41,200	-42,024	-42,864	-43,722
EGI		752,400	767,448	782,797	798,453	814,422	830,710

Operations

Management Fee	46,800	780	Management Fee	-46,800	-48,204	-49,650	-51,140	-52,674	-54,254
Property Taxes (50%)	30,000		Property Taxes	-30,000	-30,900	-31,827	-32,782	-33,765	-34,778
Property Insurance	36,000	\$ 600.00		0	0	0	0	0	0
Trash Removal	18,000	\$ 300.00	OPEX	3%	-156,000	-160,680	-165,500	-170,465	-175,579
Electric	2,000	\$ 33.33	Total Expenses		-232,800	-239,784	-246,978	-254,387	-262,018
ODC annual fee		\$ -							
Maintenance	7,500	\$ 125.00	NOI (LOSS)		519,600	527,664	535,819	544,066	552,404
Repairs	5,000	\$ 83.33	Less Reserves		-15000	-15000	-15000	-15000	-15000
Exterminating	3,000	\$ 50.00							
Grounds Upkeep	18,000	\$ 300.00	Cashflow For Debt Service		504,600	512,664	520,819	529,066	537,404
Accounting/Audit	7,500	\$ 125.00	Less: 538 Debt Service		-339,190	-339,190	-339,190	-339,190	-339,190
Legal	1,500	\$ 25.00	Less: USDA 514 Debt Service		-53,385	-53,385	-53,385	-53,385	-53,385
Advertising	2,500	\$ 41.67	Less: USDA 538 Annual Fee (.1		-31437.03	-31437.03	-31437.03	-31437.03	-31437.03
Compliance Fees	5,000	\$ 83.33	Cash Flow		80,588	120,089	128,244	136,491	144,828
Payroll	50,000	\$ 833.33	per unit annual		1,343	2,001	2,137	2,275	2,414
Operating Expenses	156,000	\$ 3,380.00							

DCR	1.19	1.21	1.23	1.25	1.27	1.29
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3630

232,800

3880

-424,012

LIHTC Rents	2 BR	3 BR		
40%	771	890	FMR	
50%	963	1113	2BR	3BR
60%	1156	1284		1468 1984
70%	1349	1542		
80%	1542	1781		

1156

1284

YR 7	YR 8	YR 9	YR 10	YR 11	YR 12	YR 13	YR 14	YR 15
891,921	909,759	927,954	946,513	965,444	984,752	1,004,448	1,024,536	1,045,027
-44,596	-45,488	-46,398	-47,326	-48,272	-49,238	-50,222	-51,227	-52,251
847,325	864,271	881,557	899,188	917,171	935,515	954,225	973,310	992,776
-55,882	-57,558	-59,285	-61,063	-62,895	-64,782	-66,726	-68,727	-70,789
-35,822	-36,896	-38,003	-39,143	-40,317	-41,527	-42,773	-44,056	-45,378
							0%	0%
-186,272	-191,860	-197,616	-203,545	-209,651	-215,940	-222,419	-229,091	-235,964
-277,975	-286,315	-294,904	-303,751	-312,864	-322,250	-331,917	-341,875	-352,131
569,349	577,956	586,652	595,436	604,308	613,265	622,308	631,435	640,645
-15000	-15000	-15000	-15000	-15000	-15000	-15000	-15000	-15000
554,349	562,956	571,652	580,436	589,308	598,265	607,308	616,435	625,645
-339,190	-339,190	-339,190	-339,190	-339,190	-339,190	-339,190	-339,190	-339,190
-53,385	-53,385	-53,385	-53,385	-53,385	-53,385	-53,385	-53,385	-53,385
-31437.03	-31437.03	-31437.03	-31437.03	-31437.03	-31437.03	-31437.03	-31437.03	-31437.03
161,774	170,381	179,077	187,861	196,733	205,690	214,733	223,860	233,070
2,696	2,840	2,985	3,131	3,279	3,428	3,579	3,731	3,884
1.31	1.33	1.35	1.37	1.39	1.41	1.43	1.45	1.48

Schedule 6 - SOURCES AND USES SUMMARY

SOURCES OF FUNDS	<u>Total</u>	<u>% of Total</u>
First Mortgage -USDA 538	\$ 6,287,405	39.0%
Second Mortgage - USDA 514	\$ 1,500,000	9.3%
GP Equity		0.0%
Grants and Federally-Subsidized Loans:		
Less:		0.0%
USDA 516/ODC Loan to project	\$ 1,500,000	9.3%
Return from Sale of Tax Credits	\$ 6,852,330	42.5%
TOTAL SOURCES OF FUNDS	<u>\$ 16,139,736</u>	<u>100.0%</u>

USES OF FUNDS	<u>Total</u>	<u>% of Total</u>
Land and Building Acquisition	\$ 260,000	1.6%
Construction "Hard" Costs	\$ 12,075,281	74.8%
Developer Fee on 4%/538 only	\$ 1,601,763	9.9%
Soft Costs	\$ 1,723,952	10.7%
Reserves	\$ 478,740	3.0%
TOTAL USES OF FUNDS	<u>\$ 16,139,736</u>	<u>100.0%</u>

EXHIBIT 5

EVIDENCE OF SITE CONTROL

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”), is made and entered into as October 15, 2021 (the “**Effective Date**”), by and between **Oikos Development Corporation**, a Missouri nonprofit corporation (“**Grantor**”), and **Everglades Townhomes LP**, a Florida limited Partnership, or its successors and assigns (“**Grantee**”) (Grantor and Grantee are collectively referred to herein as the “**Parties**” and individually as a “**Party**”).

Type text here

WITNESSETH:

WHEREAS, Grantor is the owner of that certain real property located at 200 South Barfield Highway, Pahokee, Florida, as more particularly described on Exhibit A, attached hereto and made a part hereof, including any improvements thereon (the “**Property**”).

WHEREAS, Grantee intends to submit an application (“**Application Submission**”) to the Palm Beach County Housing Finance Authority (the “**Authority**”) for an allocation of low-income housing tax credits (“**Tax Credits**”) sufficient to finance the development of the Property.

WHEREAS, in consideration for the Option Payment (as hereinafter defined), Grantor desires to grant an option to purchase the Property, as more particularly set forth herein.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00), of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. GRANT OF OPTION. Grantor hereby grants Grantee the exclusive option to purchase the Property upon the terms and conditions set forth herein (the “**Option to Purchase**”).

2. DURATION OF OPTION, GRANTEE DUE DILIGENCE AND OPTION PAYMENTS. The Option to Purchase shall run from the Effective Date through December 31, 2022 (the “**Option Period**”), unless earlier terminated by Grantee. The Grantee shall have Ninety (90) days from the Effective Date in order to make initial inspections of the Property (the “**Due Diligence Period**”). During the Due Diligence Period, the Grantee shall have access to the Property during regular business hours and shall be allowed to begin its Survey (as defined in Section 4 of this Agreement). Prior to the expiration of the Due Diligence Period, the Grantee shall either provide written notice of termination (the “**Termination Notice**”) to the Grantor, whereupon this Agreement will be null and void or, Grantee shall deposit One Hundred Dollars and 00/100 (\$100.00) with Burke Blue (the “**Title Company**”) in escrow for Grantee (the “**Option Payment**”).

3. TRANSMITTAL OF OPTION PAYMENT. In the event that the Grantee consummates the Closing (as defined below), the amount of the Option Payment shall be applied to the Purchase Price (as defined below).

Following the Due Diligence period, in the event that Grantee chooses not to make an Application Submission or if Grantee does not receive an allocation of Tax Credits from the

Authority, Grantee may elect to terminate this Agreement by providing a Termination Notice to the Grantor and to the Title Company, whereupon this Agreement will be null and void and the Option Payment will be returned to the Grantee.

4. GRANTEE DUE DILIGENCE AND APPROVAL. In order for Grantee to determine if it will exercise the Option to Purchase during the Option Period, Grantee and Grantee's contractors, employees, agents, representatives and engineers shall have full access to the Property to perform such tests (environmental or otherwise), examinations, an ALTA/ACSM survey in accordance with the requirements of Grantee (the "**Survey**"), investigations, title searches and feasibility studies which Grantee may deem necessary, provided, however, Grantee shall be responsible to reasonably restore the Property to the condition that existed prior to such testing and further provided that Grantee shall not interfere with Grantor's use of the Property. Grantor has delivered or will deliver to Grantee, within thirty (30) days after executing this Agreement, copies of all surveys, reports, tests, plans, and studies, if any, pertaining to the Property which Grantor possesses or has obtained. Grantee agrees to indemnify and hold harmless Grantor, its successors and assigns, from any and all actions, causes of action, claims, demands, damages, costs, attorneys' fees and all other expenses of Grantor as a result of activities of Grantee or any party under the direction of Grantee on or in connection with the due diligence of Grantee contemplated in this Section 4, except to the extent caused by Grantor. Grantee agrees that it will not exercise any of its entry rights provided in this Section 4, until Grantor and Grantee have in their possession a fully executed Option Agreement.

5. METHOD OF EXERCISE. Grantee may exercise the Option to Purchase the Property by notice to Grantor (the "**Purchase Notice**") given no later than the last day of the Option Period.

6. TERMS OF PURCHASE. Upon Grantee delivering the Purchase Notice, the Parties agree to consummate the purchase and sale of the Property according to the following terms:

(a) Purchase Price. The purchase price for the Property (the "**Purchase Price**") will be Two Hundred Sixty Thousandd (**\$260,000.00**). In the event that Grantee delivers the Purchase Notice, the Option Payment shall be applied to the Purchase Price as a credit to Grantee.

(b) Time for Closing. The closing on the purchase of the Property (the "**Closing**") will take place on a mutually agreeable date and time (the "**Closing Date**") no later than termination of the Option Period. The Closing will take place at the offices of the Title Company or other mutually agreed upon location. Grantor and Grantee acknowledge that Grantee's intended use of the Property is as a residential housing project and that it must obtain an allocation of Tax Credits from the Authority to finance its development.

(c) Method of Closing and Transfer. Grantor and Grantee will execute and deliver such documents necessary to effectuate the Closing, including, but not limited to, the Deed (hereinafter defined), a settlement statement apportioning the Closing costs, mechanic's lien and/or any other affidavits required by the Title Company and Grantee

(including a nonforeign affidavit), and corporate resolutions indicating the authority of the persons executing the Closing documents on behalf of each Party. Grantor will transfer title to the Property to Grantee or to a designee of Grantee by the Deed. The Deed will be subject to only: (i) real estate taxes for the year in which the Closing occurs, with none then due and payable at Closing, and (ii) those matters showing on Schedule B-II of Grantee's title commitment (other than the preprinted exceptions) at the time that Grantee delivers the Purchase Notice (excepting any matters which may be discharged by the payment of money, which Grantor shall discharge) (the "**Permitted Exceptions**"). Grantor agrees to reasonably cooperate with Grantee in causing the preprinted exceptions in Schedule B-II and the standard requirements in Schedule B-I of Grantee's title commitment to be satisfied in all respects. At the Closing, Grantee will pay the Purchase Price by wire transfer, subject to a credit for the Option Payment and adjustments necessary to reflect the Closing costs set out in the settlement statement.

(d) Form of Closing Documents. The form of closing documents shall be as follows:

(i) Deed. Grantor will transfer the Property free and clear of all liens and encumbrances which may be satisfied by the payment of money and subject only to the Permitted Exceptions, by means of a special warranty deed containing covenants of title, which covenants of title shall state that Grantee is seized of the Property in fee, and that Grantor has conveyed unto Grantee and its successors and/or assigns in title the Property in fee simple; and that Grantor will warrant and defend title against the claims of all persons or entities claiming through Grantor (the "**Deed**").

(ii) Title Policy. Grantee must receive an ALTA owner's title insurance policy, in form acceptable to Grantee and including such endorsements as desired by Grantee, insuring Grantee will be the fee simple owner of the Property upon delivery of the Deed and subject only to the Permitted Exceptions.

(e) Possession. Upon consummating the Closing, complete possession of the Property will be provided to Grantee.

7. GRANTOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS. In consideration for Grantee making the Option Payment and performing the due diligence contemplated in Section 4:

(a) Grantor represents and warrants to Grantee that it has not dealt with any broker, agent or finder (and agents therefor). Grantor agrees to indemnify, defend and hold harmless Grantee for a breach of the foregoing representation and warranty.

(b) Grantor represents and warrants to Grantee that it is the sole fee owner of the Property and in full possession of the Property and has the right to grant the Option to Purchase and will be able to consummate the Closing as contemplated by this Agreement without the joinder or consent of any third party.

(c) Grantor represents and warrants to Grantee that, to the knowledge of Michael Snodgrass, the President of Grantor, there are and have been no hazardous or toxic substances or materials on or about the Property, including without limitation any oil, petroleum, PCBs, asbestos, or other materials regulated by environmental laws, and there are no underground storage tanks on the Property, with the exception of those conditions noted in the Phase I Environmental Study dated December, 2021 and Phase II Environmental Study.

(d) Grantor represents and warrants to Grantee that it has received no notice of, nor is Grantor aware of, any pending, threatened or contemplated action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.

(e) Grantor represents and warrants to Grantee that there is no action, suit or proceeding pending or, to the knowledge of Michael Snodgrass, the President of Grantor, threatened by or against or affecting Grantor or the Property which does or will involve or affect the Property or title thereto. Grantor will defend, indemnify and otherwise hold Grantee harmless from any and all claims of any person due to, arising out of or relating to the Property, including any and all costs, expenses, and attorneys' fees which Grantee may incur as a result of Grantor's breach of and/or representations hereunder. Grantor will, promptly upon receiving any such notice or learning of any such contemplated or threatened action, give Grantee written notice thereof.

(f) Grantor represents and warrants to Grantee that to the knowledge of Michael Snodgrass, the President of Grantor, there are no violations of state or federal law, municipal or county ordinances, or other legal requirements with respect to the Property. Grantor has received no notice (oral or written) that any municipality or governmental or quasi-governmental authority has determined that there are such violations. In the event Grantor receives notice of any such violations prior to the Closing affecting the Property, Grantor shall promptly notify Grantee thereof, and shall promptly and diligently defend any prosecution thereof and take any and all necessary acts to eliminate said violations.

(g) With respect to the Property, Grantor gives Grantee and Grantee's employees, agents, representatives, and potential assignees the right to apply for any permits, zoning matters, subdivision approvals and/or other approvals deemed necessary or desirable by Grantee in connection with Grantee's intended development or redevelopment of the Property (collectively, the "**Approvals**") during the Option Period, and Grantor agrees to cooperate with and assist Grantee in obtaining the Approvals, provided Grantor does not incur any costs as a result of such cooperation and assistance.

The foregoing representations and warranties of Grantor shall survive the Closing.

8. REPRESENTATION AND WARRANTY OF GRANTEE. Grantee represents and warrants that it has not dealt with any broker, agent or finder. Grantee agrees to indemnify,

defend and hold harmless Grantor for a breach of the foregoing representations and warranties. The foregoing representation and warranty shall survive the Closing.

9. NOTICES. Any notices, requests or other communications required or permitted to be given hereunder shall be in writing and shall be deemed given (except as otherwise provided herein) when received if (i) delivered by hand, (ii) deposited with a widely recognized national overnight courier service, or (iii) mailed by United States registered or certified mail, return receipt requested, postage prepaid, and in each case addressed to each Party at its address set forth below:

to Grantor:	Oikos Development Corporation Attention: Michael Snodgrass 1712 Main Street, Suite 206 Kansas City, MO 64108 msnodgrass.odc@gmail.com
to Grantee:	Everglades Townhomes LP c/o Oikos Development Corporation Attention: Michael Snodgrass 1712 Main Street, Suite 206 Kansas City, MO 64108 msnodgrass.odc@gmail.com
to Title Company:	Burke Blue 221 McKenzie Ave Panama City, FL 32401

Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, request or other communication. By giving at least five (5) days prior notice thereof, any Party may from time to time at any time change its mailing address hereunder.

10. DEFAULT.

(a) Grantor's Default. One of the purposes of this Agreement is to bind Grantor to sell the Property. If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Grantor's default hereunder, Grantor hereby agrees that the Option Payment, together with fifteen per cent (15%) interest thereon shall be refunded to Grantee and Grantee may bring action for specific performance of this Agreement

(b) Grantee's Default. If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Grantee's default (Grantee shall only be deemed to be in default if it delivers the Purchase Notice and then fails to consummate the Closing), Grantor shall be entitled, as its sole and exclusive remedy hereunder, to retain payment of the Option Payment previously made by Grantee as full

and complete liquidated damages for such default of Grantee, the Parties acknowledging that it is impossible to estimate more precisely the damages which might be suffered by Grantor upon Grantee default of this Agreement or any duty arising in connection or relating herewith. Grantor's entitlement to and receipt of the Option Payment previously made by Grantee is intended not as a penalty, but as full and complete liquidated damages. The right to retain such sums as full liquidated damages is Grantor's sole and exclusive remedy in the event of default hereunder by Grantee, and Grantor hereby waives and releases any right to (and hereby covenants that it shall not) sue Grantee as to any claims, injury or loss arising from or in connection with this Agreement: (i) for specific performance of this Agreement, or (ii) to recover actual or consequential damages in excess of such sums. Grantee's submission of a Termination Notice to Grantor during the Option Period does not constitute a default by Grantee.

11. SUCCESSORS AND ASSIGNS. Grantee may assign its rights and obligations under this Agreement with the consent of Grantor.

12. CONSTRUCTION. This Agreement shall be construed in accordance with the laws of the State of Florida.

13. RECORDING. This Agreement shall not be recorded.

14. CONFIDENTIALITY. Each Party agrees to maintain this Agreement and the information in this Agreement as confidential, and each will not disclose such information to any other person without the prior written consent of the other Party, but this will not preclude recording the memorandum of the Agreement pursuant to Section 13 hereof.

15. ATTORNEYS' FEES. In the event any Party brings suit to construe or enforce the terms hereof, or raises this Agreement as a defense in a suit brought by another party, the prevailing party as determined by the court is entitled to recover its reasonable attorneys' fees and expenses.

16. COUNTERPARTS/FACSIMILE SIGNATURES. This Agreement may be executed in counterparts and may be signed and transmitted by facsimile machine or electronic transmission, and if so, is to be treated as an original document, and the signature of any Party thereon is to be considered as an original signature.


17. TIMING. Time is of the essence. If any day on which an event is scheduled to occur under this Agreement falls on a Saturday or Sunday or legal holiday, the time period for such event shall be automatically extended until the next business day.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Effective Date.

GRANTOR:

OIKOS DEVELOPMENT CORPORATION,
a Missouri nonprofit corporation

By: 
Name: Michael Snodgrass
Title: President

GRANTEE:

EVERGLADES TOWNHOMES LP,
a Florida limited partnership

By: Everglades Townhomes GP LLC,
a Florida limited liability company
Its: General Partner

By: Oikos Development Corporation,
a Missouri nonprofit corporation
Its: Manager

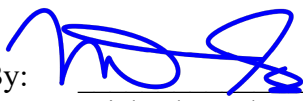
By: 
Name: Michael Snodgrass
Title: President

EXHIBIT A

Legal Description

Parcel 1

OKEELANTAPLANTATION COS SUB, W 490 FTOF TR7 &N 109 FTOF W 490 FTOF TR8
PCN: 48-37-42-17-02-007-0013

Parcel 2

The East 200 feet of the West 690.00 feet of Tracts 7, 8 and 9, of the Plat of Okeelanta Plantation Company's Subdivision, according to the map or plat thereof as recorded in Plat Book 16, Page 34, Public Records of Palm Beach County, Florida. Less and Excluding however the following parcels thereof: A. The South 85 feet of Tract 9 B. The East 140 feet of the West 630 feet of the North 311.41 feet of Tract 7. C. The East 10 feet of the West 690 feet of the North 210 feet of Tract 7.
PCN: 48-37-42-17-02-007-0011



CFN 20210156082

OR BK 32361 PG 1143
RECORDED 04/08/2021 08:30:10
AMT 200,000.00
Doc Stamp 1,400.00
Palm Beach County, Florida
Joseph Abruzzo, Clerk
Pgs 1143 - 1148; (6pgs)

Prepared by and return to:

Donia A. Roberts, Esq.

Attorney at Law

Donia A. Roberts, P.A.

257 SE Dr. Martin Luther King Jr. Boulevard

Belle Glade, FL 33430

561-993-0990

File Number: 2020-011

Will Call No.

[Space Above This Line For Recording Data]

Warranty Deed

This Warranty Deed made this 28th day of March, 2020 between City of Pahokee, a municipal corporation of the State of Florida whose post office address is 207 Begonia Drive, Pahokee, FL 33476, grantor, and Oikos Development Corporation, a Missouri non-profit corporation authorized to transact business in the State of Florida, whose post office address is 712 Main Street, Suite 200, Kansas City, MO 64108, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Palm Beach County, Florida to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

Subject to taxes for 2021 and subsequent years; covenants, conditions, restrictions, easements, reservations and limitations of record, if any.

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 2019.

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

EXHIBIT "A" LEGAL DESCRIPTION

The West 490.00 feet of Tract 7 and the North 109 feet of the West 490 feet of Tract 8 of the Plat of Okeelanta Plantation Company's Subdivision, in Fractional Sections 8, 17 and 18, Township 42 South, Range 37 East, as recorded in Plat Book 16, Page 34, Public Records of Palm Beach County, Florida.

PCN: 48-37-42-17-02-007-0013

This is not a certified copy

Signed, sealed and delivered in our presence:

Quynh Thuy Ramsey
 Witness Name: Quynh Thuy Ramsey
Chandler F. Williamson
 Witness Name: Chandler F. Williamson

City of Pahokee, a municipal corporation of the State of Florida

By: Keith W. Babb
 Keith W. Babb, Mayor

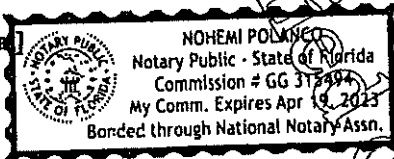
(Corporate Seal)



State of Florida
 County of Palm Beach

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 26th day of March, 2021 by Keith W. Babb, Mayor of City of Pahokee, on behalf of the corporation. He/she ☒ is personally known to me or ☐ has produced a driver's license as identification.

[Notary Seal]



Noemi Polanco
 Notary Public

Printed Name: Noemi Polanco

My Commission Expires: 4/19/2023

RESOLUTION 2020 - 08

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE THE OPTION TO PURCHASE REAL ESTATE, ATTACHED AS EXHIBIT "A", BY AND BETWEEN THE CITY OF PAHOKEE, FLORIDA AND OIKOS DEVELOPMENT CORPORATION; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Pahokee, Florida (the "City") desires to redevelop the property previously known as the City of Pahokee Hospital, located at 200 S. Barfield Highway, and legally described as "OKEELANDA PLANTATION COS SUB W 490 FT OF TR 7 & N 109 FT OF W 490 FT OF TR 8" (the "Property"); and

WHEREAS, in furtherance of the foregoing, and in exchange for a One Thousand Dollars (\$1,000.00) earnest money deposit, the City desires to grant an option to purchase the Property for Two Hundred Thousand Dollars (\$200,000.00) to Oikos Development Corporation, a not for profit 501(c)(3) corporation ("Oikos") in accordance with the terms set forth in Exhibit "A" in order for Oikos to develop affordable housing; and

WHEREAS, the City Commission finds that approving the Option and authorizing and directing the City Manager to execute the Option to Purchase Real Estate set forth in Exhibit "A" with Oikos is in the best interests of the residents of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AS FOLLOWS:


Section 1. Adoption of Representations. The foregoing whereas clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Approval of the Option to Purchase Real Estate. The City Commission of the City of Pahokee hereby approves the Option to Purchase Real Estate, as set forth in Exhibit "A", by and between the City of Pahokee and Oikos Development Corporation, attached hereto as Exhibit "A".

Section 3. Authorization of Mayor. The City Commission of the City of Pahokee hereby authorizes the City Manager to execute the Option to Purchase Real Estate, as set forth in Exhibit "A", by and between the City of Pahokee and Oikos Development Corporation, attached hereto as Exhibit "A".

Section 4. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.


PASSED and ADOPTED this 25th day of February 2020


Keith W. Babb, Jr., Mayor

ATTEST:


Nylene Clarke, City Clerk

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**


Burnadette Norris-Weeks, Esq.
City Attorney

Moved by: Commissioner Everett

Seconded by: Vice Mayor Murvin

VOTE:

Commissioner Bohlen
Commissioner Everett
Commissioner Hill
Vice-Mayor Murvin
Mayor Babb

____ (Yes)
☒ (Yes)
☒ (Yes)
☒ (Yes)
☒ (Yes)

☒ (No)
____ (No)
____ (No)
____ (No)
____ (No)

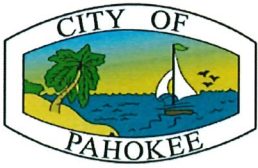
Exhibit "A"

OPTION TO PURCHASE REAL ESTATE

(Attached)

This is not a certified copy

EXHIBIT 6
ZONING LETTER



City of Pahokee

207 Begonia Dr.
Pahokee, FL 33476
Phone: (561) 924-5534
Fax: (561) 924-8140

www.cityofpahokee.com

COMMISSIONERS

Keith W. Babb Jr.
MAYOR

Regina Bohlen
VICE MAYOR

Clara "Tasha" Murvin
COMMISSIONER

Juan Gonzalez
COMMISSIONER

Sara Perez
COMMISSIONER

ADMINISTRATION

Jongelene Adams
INTERIM CITY MANAGER

Vacant/Interim
CITY CLERK

Burnadette Norris-Weeks
CITY ATTORNEY

May 20, 2021

Michael Snodgrass
170 S Barfield Hwy, Ste 101
Pahokee, FL 33476

SUBJECT: Zoning Verification for 200 S Barfield Hwy
(48-37-42-17-02-007-0013)

Dear Mr. Snodgrass:

As a follow up to your request, please be advised that Oikos Development Corp. has no restrictions to develop site located at 200 S Barfield Hwy, Pahokee, FL 33476.

The aforementioned property rezoning has been granted as Multifamily residential, medium density (MF18) district, with the intent to promote the development of affordable, medium density, multifamily dwelling units in a high quality environment with an appropriate amount of open space in areas with a high level of available public facilities that are within a close proximity to supporting services.

This letter should not be construed to be a development order, permit, title search or any other types of approval. Any questions regarding building permits and/or certificate of occupancy should be directed to the Building Department.

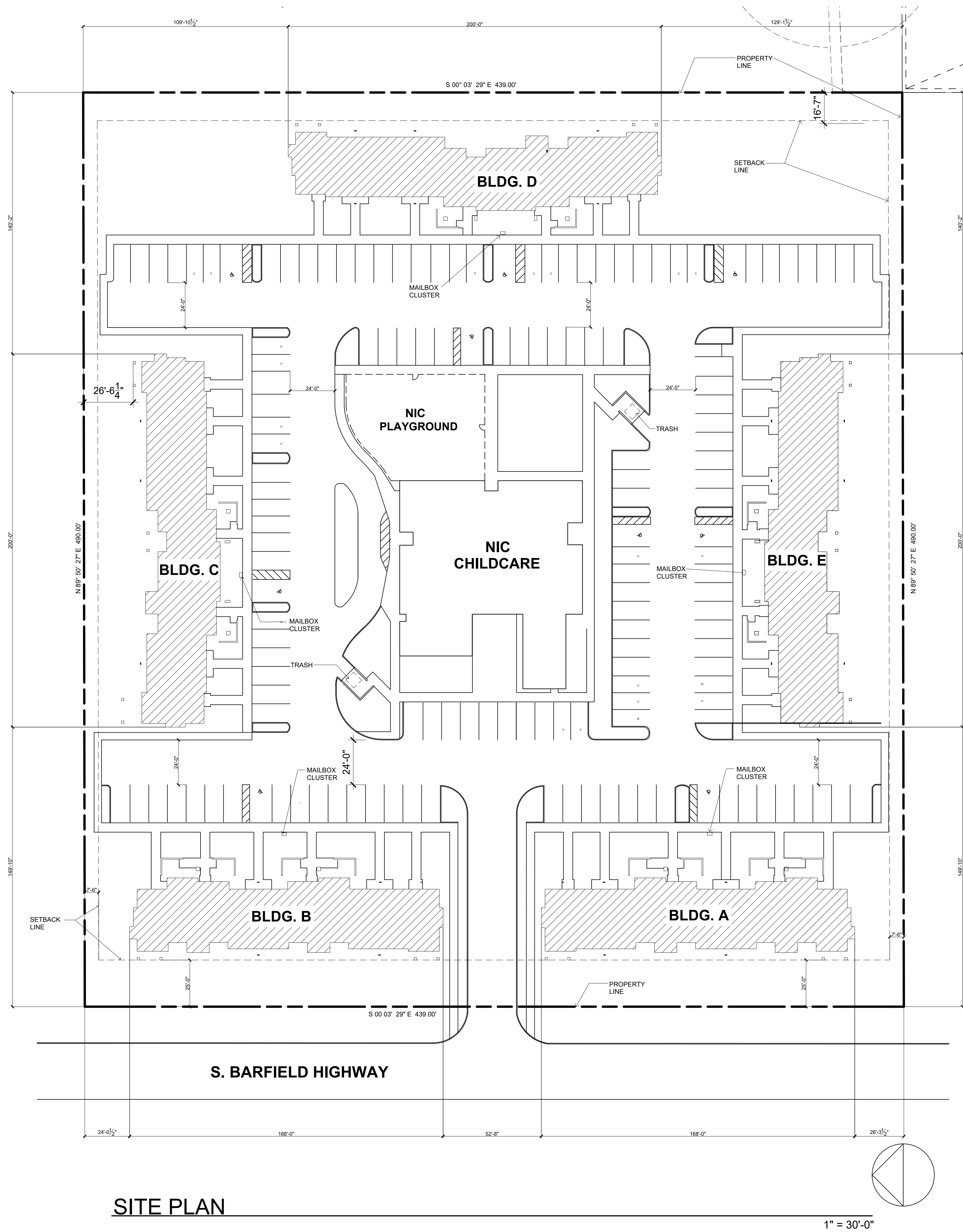
Should you have additional questions, please do not hesitate to contact us.

Sincerely,

Nohemi Polanco
Building, Planning & Zoning Manager

cc: Jongelene Adams
Interim City Manager

EXHIBIT 7
SITE PLAN



SITE PLAN

- SITE PLAN NOTES
1. THERE IS A PUBLIC WATER SYSTEM AVAILABLE TO THE SITE.
 2. THIS IS NOT A LEGAL SURVEY. PROPERTY DESCRIPTION INFORMATION ON THIS SHEET IS FOR GENERAL USE ONLY.
 3. PROVIDE POSITIVE DRAINAGE AWAY FROM BUILDINGS. MINIMUM SLOPE OF 5% FOR 10' MINIMUM.
 4. LIMITS OF CONSTRUCTION, STORAGE AREA & VEGETATION OF CONCERN TO BE COORDINATED WITH OWNER AND/OR ARCHITECT.
 5. SEE CIVIL DRAWINGS FOR GRADING, DRAINAGE, AND UTILITY INFORMATION.

UNITS PER BUILDING		ADA ACCESSIBLE UNITS	
BUILDING A	12	TOTAL REQUIRED ACCESSIBLE = 5% of 60 UNITS	3
BUILDING B	12	TOTAL ACCESSIBLE UNITS PROVIDED =	4
BUILDING C	12	TOTAL ACCESSIBLE TO BE CONVERTED =	6
BUILDING D	12	TOTAL POTENTIAL ACCESSIBLE UNITS =	10
BUILDING E	12		
TOTAL UNITS	60		

PARKING TABULATION	
STANDARD SPACES	111
COMPACT	16
HANDICAP	7
TOTAL SPACES	134

FARMWORKER MULTI-FAMILY HOUSING
EVERGLADES MEMORIAN GARDEN APARTMENTS
200 S BARFIELD HWY
PAHOKEE, FL 33476

SHEET TITLE:
SITE PLAN

REVISIONS:	
No.	Description

JOB NUMBER: 2021-04 DATE: 10/04/2021

DRAWN BY: Author CHECKED BY: Checker

427 RIDGE STREET SUITE C RENO, NV 89501

775-329-3341

CATHEXES
ARCHITECTURE

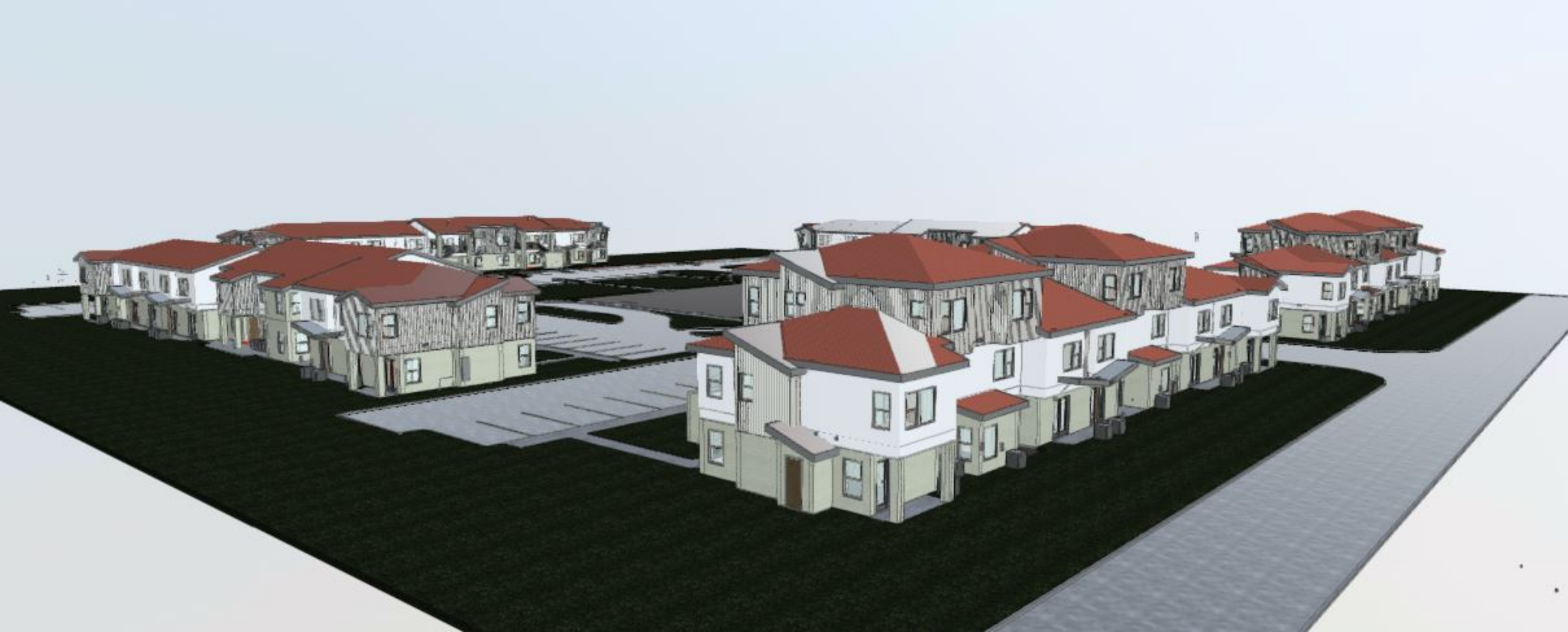








EXHIBIT 8

USDA 514/516 OBLIGATION

MULTI FAMILY HOUSING OBLIGATION -FUND ANALYSIS

PART I - ENTITY INFORMATION

1. BORROWER CASE NUMBER 09-050-660504019	2. PROJECT NUMBER 01-5
3. BORROWER NAME Oikos Development Corporation	4. PROJECT NAME Everglades Memorial I

PART II LOAN/GRANT OBLIGATION

5. AMOUNT OF LOAN OBLIGATION \$1,500,000.00	6. AMOUNT OF LOAN OBLIGATION \$1,500,000.00	7. ASSISTANCE CODE 024	8. PURPOSE CODE 21
9. LOAN NUMBER 01	10. MAXIMUM DEBT LIMIT \$10,134,390.54	11. APPRAISED VALUE \$9,935,677.00	12. APPRAISAL DATE 09-25-2019
13. APPROVAL DATE 09-25-2019	14. INITIAL/SUBSEQUENT 1 = INITIAL 2 = SUBSEQUENT 1	15. ENVIRONMENTAL ASSESS DATE 09-25-2019	
16. INTEREST RATE 1.00%	17. LOAN TERM 33	18. AMORTIZATION PERIOD 33	19. NOTE ASSOCIATION CODE 02
20. LOAN SECURITY CODE 2	21. PPI CODE		

A. PROJECT COST AND CHARACTERISTICS SET

22. BUILDING CODE BN	23. SITE ACREAGE 5.7	24. APPRAISED LAND-VALUE \$9,935,677.00
25. CONTRIBUTED FUNDS \$240,000.00	26. LEVERAGED FUNDS \$6,695,677.00	27. TOTAL COST OF PROJECT \$9,935,677.00

B. PROJECT BEDROOM SET

28. NUMBER OF BEDROOMS 1 2 3 4 5	29. NUMBER OF UNITS 24 24	30. AVERAGE SQUARE FEET/UNIT 1214 1400
---	-------------------------------------	--

C. PROJECT BUILDING SET

31. NUMBER OF UNITS BY UNIT TYPE 48 FAM ILY ELDERLY HANDICAPPED CONGREGATE GROUP HOMES	32. NUMBER OF UNITS BY BUILDING TYPE SINGLE DUPLEX FOURPLEX MIDRISE ROWHOUSES GARDENAPTS 48 OTHER TYPES	33. SQUARE FEET LIVING AREA BY BUILDING TYPE 22928	34. PROJECT RENTAL CODE FA = Family EL = Elderly CG = Congregate MX = Mixed FA
35. TOTAL UNITS 48	36. TOTAL SQUARE FEET 24966	37. RELATED FACILITIES SQUARE FEET 2038	38. MISCELLANEOUS SQUARE FEET
39. TOTAL SQUARE FEET 24966			

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

40. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL:

- Approval of financial assistance is subject to the terms of the Letter of Conditions dated _____.
- Security for this loan/grant is based upon property described in Deed of Trust/Mortgage as required by the Office of General Counsel.
- The amount of the loan may decrease if other Government assistance as defined in 7 CFR 3560 becomes available to the applicant before loan closing.
- The Loan Term will not exceed 30 years for Multi-Family (MFH) or 33 years for Farm Labor Housing (FLH) or the remaining economic life of the project, whichever is less. The loan installments will be calculated based on an Amortization Period of 50 years or the remaining economic life of the project, whichever is less.

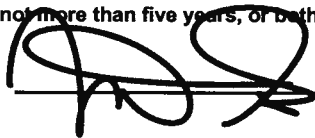
41. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of the sum specified herein. I agree to report to Rural Development any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of said sum has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

WARNING: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully:

- (1) falsifies, conceals or covers up by any trick, scheme, or device a material fact;
- (2) makes any materially false, fictitious or fraudulent statement or representation; or
- (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry;

shall be fined under this title or imprisoned not more than five years, or both."

Date 9/25, 2019



(Signature of Applicant)

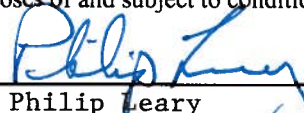
Date _____, 20____

(Signature of Applicant)

Date _____, 20____

(Signature of Applicant)

42. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by Rural Development regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purposes of and subject to conditions prescribed by Rural Development regulations applicable to this type of assistance.



Philip Leary

(Signature of Approving Official)

Date Approved: 9-25-19

Title: STATE Director

43. TO THE APPLICANT: As of this date 9-25-19, this is notice that your application for the above financial assistance from Rural Development has been approved, as indicated above, subject to availability of funds and other conditions required by Rural Development. If you have any questions contact the Loan Originator.


**MULTI FAMILY HOUSING
OBLIGATION - FUND ANALYSIS
PART III**

OBLIGATION/DEOBLIGATION OF RENTAL ASSISTANCE			
44. CASE NUMBER 09-050-660504019		45. BORROWER NAME Oikos Development Corporation	
46. PROJECT NUMBER 01-5	47. RA AGREEMENT NUMBER 190100	48. TYPE OF UNITS N	49. TYPE OF ACTION 1
COMPLETE FOR OBLIGATION OF RA			
50. NUMBER OF UNITS RECEIVE RENTAL ASSISTANCE 48		51. AMOUNT OF RA OBLIGATION \$240,000.00	
COMPLETE FOR DEOBLIGATION OF RA			
52. NUMBER OF UNITS DEOBLIGATED		53. AMOUNT OF RA DEOBLIGATION	
54. REMARKS			

55. I HAVE REVIEWED THE BORROWER'S REQUEST FOR RENTAL ASSISTANCE FOR THE PROJECT AND REQUEST OBLIGATION OR DEOBLIGATION OF RENTAL ASSISTANCE FOR THE ABOVE.

DATE OF APPROVAL September 25, 2019

DATE OF OBLIGATION _____, 20____



SIGNATURE OF APPROVAL OFFICIAL

RESOLUTION NO. R-2021-17

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY (THE “AUTHORITY”) DECLARING THE AUTHORITY’S PRELIMINARY INTENT TO ISSUE ITS NOT TO EXCEED \$14,000,000 MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS (IN ANY EVENT REFERRED TO HEREIN AS THE “BONDS”) WHICH MAY BE ISSUED IN ONE OR MORE SERIES TO OBTAIN FUNDS TO BE LOANED TO EVERGLADES TOWNHOMES LP (THE “BORROWER”), ITS SUCCESSORS OR ASSIGNS, FOR THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A QUALIFYING HOUSING DEVELOPMENT IN THE CITY OF PAHOKEE, PALM BEACH COUNTY, FLORIDA TO BE EVERGLADES TOWNHOMES; INDICATING THE AUTHORITY’S OFFICIAL INTENT TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS TO REIMBURSE CERTAIN EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT; AUTHORIZING VALIDATION OF THE BONDS, IF SO REQUIRED; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the provisions of the Florida Constitution, Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the “Act”) and the policies of the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), Everglades Townhomes LP (the “Borrower”), has submitted a request to the Authority requesting that the Authority issue, pursuant to the provisions of the Act, multifamily housing revenue bonds, notes or other evidences of indebtedness to finance the costs of the acquisition, construction and equipping of an approximately 60 unit multifamily rental housing facility to be known as Everglades Townhomes, to be located at 200 S. Barfield Highway, Pahokee, Palm Beach County, Florida 33476 (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”) in Palm Beach County, Florida; and

WHEREAS, the Authority desires, as requested by the Borrower, to declare its preliminary intent to issue, in one or more series, its Multifamily Housing Revenue Bonds in the initial aggregate principal amount of not exceeding \$14,000,000 (or such other debt instrument as may be allowed by the Act and approved by Bond Counsel and the Authority’s counsel, herein, the “Bonds”) pursuant to the limitations and conditions set forth in this Resolution and in subsequent resolutions and other instruments of the Authority, which amount the Borrower has

represented will, together with other available funds of the Borrower, be sufficient to finance the acquisition, construction and equipping of the Project; and

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

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

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

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

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

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

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

WHEREAS, it is intended by the Authority that this Resolution constitutes such official intent with respect to the reimbursement, from proceeds of the Bonds, of those certain capital expenditures the Borrower has and will incur prior to the issuance of the Bonds as provided in Section 4 and 5 herein.

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

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

SECTION 2. The Authority is authorized and empowered by the Act and Article V, Division 3, Sections 2-181 et seq., Palm Beach County Code of Ordinances (the “Ordinance”) to adopt this Resolution and to enter into transactions such as those contemplated by the Borrower in connection with the financing of the costs of the Project through the issuance of the Bonds, and to fully perform the obligations of the Authority to be undertaken in connection with the financing of the costs of the Project through the issuance of the Bonds in order to assist in alleviating the shortage of housing and of capital to finance the construction and/or rehabilitation of affordable housing in Palm Beach County, Florida, and this Resolution is adopted and such actions are to be taken pursuant to the provisions of the Act and the Ordinance.

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

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

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

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

SECTION 7. The maximum principal amount of Bonds expected to be issued for the financing of the costs of the acquisition, construction and equipping of the Project through the issuance of the Bonds is \$14,000,000.

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

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

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

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

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

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

EXCEPT FOR THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE AUTHORITY.

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

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

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

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

PASSED AND ADOPTED this 12th day of November, 2021.

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

By: _____
Chairperson / Vice Chairperson

ATTEST:

[Assistant] Secretary

EXHIBIT A
FORM OF MEMORANDUM OF AGREEMENT

RESOLUTION NO R. 2021-18

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, CONSENTING TO THE SALE OF INDIAN TRACE APARTMENTS (THE “PROJECT”) FROM INDIAN TRACE ASSOCIATES, LTD. (“SELLER”) TO 1000 INDIAN TRACE CIRCLE FL OWNER LLC (“PURCHASER”); APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT AND ASSUMPTION OF LAND USE RESTRICTION AGREEMENT BY AND AMONG THE AUTHORITY, SELLER AND PURCHASER; AUTHORIZING THE RELEASE, UPON REQUEST, OF SELLER AND THE OTHER INDEMNITORS FROM THAT CERTAIN FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT RELATING TO THE PROJECT; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), pursuant to the provisions of Part IV of Chapter 159, 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 Palm Beach County, Florida (the “County”); and

WHEREAS, the Authority, pursuant to the Act, previously issued its Multifamily Housing Revenue Bonds Series 2002 A (Indian Trace Apartments Project) (the “Series 2002 A Bonds”), and Taxable Multifamily Housing Revenue Bonds Series 2002 B (Indian Trace Apartments Project) (the “Series 2002 B Bonds”) (collectively, the “Bonds”) to make a loan to Indian Trace Associates, Ltd. (the “Owner”) to finance the acquisition, construction and equipping of a 330 unit multifamily residential rental housing project located at 1000 Indian Trace Circle, West Palm Beach, Florida 33407 (the “Project”); and

WHEREAS, the Bonds were previously paid off (the “Refinancing”); and

WHEREAS, the Seller has advised the Authority that it intends to sell the Project to 1000 Indian Trace Circle FL Owner LLC (the “Purchaser”);

WHEREAS, the Seller and the Purchaser have requested the (a) consent to the transfer of the Project from the Seller to the Purchaser, in accordance with Section 17 of that certain Land Use Restriction Agreement dated as of June 1, 2002 (the "Land Use Restriction Agreement") among the Authority, U.S. Bank Trust National Association, as Trustee (the "Trustee"), and Florida Housing Finance Corporation, as amended (the "Land Use Restriction Agreement"), and (b) consent to the assignment and assumption by the Purchaser of the Seller's rights and obligations under the Land Use Restriction Agreement; and

WHEREAS, upon payment to the Authority of the Authority's fees through February 28, 2024, the end of the Qualified Project Period (as defined in the Land Use Restriction Agreement, the Authority has agreed, upon request of the Seller, to release the Seller and the other Indemnitors named therein from that certain Fee Guaranty and Environmental Indemnity Agreement dated April 23, 2013 (the "Fee Guaranty");

WHEREAS, the Authority has agreed to take such action as set forth herein.

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

Section 1: Recitals. The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

Section 2: Consent to Sale of the Project and Approval and Execution of Assignment and Assumption of Land Use Restriction Agreement. The Authority, having considered the factors set forth in Section 17 of the Land Use Restriction Agreement, hereby consents to the sale of the Project from the Seller to the Purchaser. In connection therewith, the form of the Assignment and Assumption of Land Use Restriction Agreement presented at this meeting (and attached hereto as Exhibit "A") by and among the Authority, the Seller and the Purchaser is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in his absence, the Vice Chairperson or any other member of the Authority in the absence of

the Vice Chairperson) 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 Assignment and Assumption of Land Use Restriction Agreement in the form presented to 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 counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 3: Release of Seller and Other Indemnitors upon Request. Upon written request of the Seller, the Authority agrees to release the Seller and the other Indemnitors named in the Fee Guaranty as such from the Fee Guaranty. Such release may be executed and delivered on behalf of the Authority by the Chairperson, Vice Chairperson or Executive Director, in such form as may be approved by the person executing such release with the advice of the general counsel of the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 4: No Other Rights Conferred. Except as herein otherwise expressly provided, nothing in this Resolution or in the agreements approved hereby, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority, the Seller or the Purchaser, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or such agreements, 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, such agreements and all of their respective provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Purchaser and the Seller.

Section 5: Severability. In case any one or more of the provisions of this Resolution, or of agreements approved hereby 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 such agreements.

Section 6: Further Actions; Effectiveness of Approval. The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority and the Authority's general counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of the this Resolution, the agreements herein approved or any other agreements to which the Authority is a party and which have been approved by the Authority. The approvals and authority contained in this Resolution shall be contingent upon and subject to (a) the closing of the sale of the Project, and (b) the payment of the Authority fees through February 28, 2024 in the amount of \$62,400.00, expenses of the Authority and the fees and expenses of counsel to the Authority.

Section 7: 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.

Section 8: Resolution Effective. This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank]

ADOPTED this 12th day of November, 2021.

(SEAL)

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

ATTEST:

By: _____
Chairperson

Secretary

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
Name: Morris G. (Skip) Miller, Esq.
Title: Attorney

EXHIBITS TO RESOLUTION

Exhibit A – Form of Assignment and Assumption of Land Use Restriction Agreement

Housing Finance Authority of Palm Beach County, Florida
Meeting Schedule for 2022

All meetings will take place starting at approximately 9:00 AM at the Palm Beach County Airport Center Complex, 100 Australian Avenue, West Palm Beach, FL 33406, 4th Floor Training Room 4-790, unless otherwise posted.

Friday, January 14

Friday, February 18

Friday, March 18 in Room 1-470

Friday, April 8

Friday, May 13

Friday, June 17

Friday, July 8

Friday, August 12

Friday, September 23

Friday, October 14

Friday, November 18

Friday, December 9

Should any person(s) decide to appeal any decision made by the Housing Finance Authority, they will need a record of the proceedings and may need to ensure that a verbatim record of the proceedings is made, which record must include testimony and evidence upon which the appeals may be based. In accordance with the Americans with Disabilities Act, persons with disabilities needing special assistance accommodations to participate in this proceeding should contact Jennifer Hamilton, no later than five (5) days prior to the hearing at telephone number (561) 233-3656 for assistance; if hearing impaired, telephone the Florida Relay Service Numbers at (800) 955-8770 or (800) 955-8771 for assistance in contacting the Housing Finance Authority.

PUB: Palm Beach Post on _____, 2021

Tab 4

VII. Public hearing - attachments

- a. Everglades Townhomes – form of publication in PB Post**

Order Confirmation

Ad Order Number

0000669272

Customer

HOUSING FINANCE AUTHORITY

Payor Customer

HOUSING FINANCE AUTHORITY

PO Number**Sales Rep.**

teal.pontarelli

Customer Account

36426

Payor Account

36426

Ordered By

David Brandt

Order Taker

teal.pontarelli

Customer Address100 AUSTRALIAN AVE
WEST PALM BEACH FL 334061465 USA**Payor Address**100 AUSTRALIAN AVE
WEST PALM BEACH FL 334061465 USA**Customer Fax****Order Source**

Non Web

Customer Phone

5612333652

Payor Phone

5612333652

Customer EMail**Special Pricing****Invoice Text****Ad Order Notes****Net Amount**

\$402.48

Tax Amount

\$0.00

Total Amount

\$402.48

Payment Amount

\$0.00

Amount Due

\$402.48

Ad Number

0000669272-01

Ad Type

Legal

Production Method

AdBooker

Production Notes**External Ad Number****Ad Attributes****Ad Released**

No

Pick Up

0000417007

Ad Size

1 X 117 li

Color

<u>Run Date</u>	<u>Product</u>	<u>Placement</u>	<u>Sched Cst</u>	<u>Disc/Prem</u>	<u>Color</u>	<u>Pickup</u>	<u>Tax</u>	<u>Subtotal</u>
11/05/2021	P-Palm Beach Post	Legals	\$402.48	\$0.00	\$0.00	\$0.00	\$0.00	\$402.48
11/05/2021 - 11/12/2021	P-PBP Web	Legals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Ad Content

NOTICE OF PUBLIC HEARING

CONCERNING THE ISSUANCE FROM TIME TO TIME, BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, OF NOT EXCEEDING \$14,000,000 OF ITS MULTIFAMILY HOUSING REVENUE BONDS (EVERGLADES TOWNHOMES) TO BE ISSUED IN ONE OR MORE SERIES.

Notice is hereby given that on Friday, November 12, 2021, at 9:00 A.M., or as soon thereafter as possible, the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), will conduct a public hearing on behalf of the Authority for the purpose of giving interested persons an opportunity to be heard regarding the proposed issuance by the Authority of its Multifamily Housing Revenue Bonds (Everglades Townhomes) (herein the "Bonds"), in an aggregate principal amount of not exceeding \$14,000,000. The Bonds will be issued, from time to time in one or more series, to finance a loan (the "Loan") to be made by the Authority to Everglades Townhomes LP, a Florida limited partnership, or its successor or assign (herein, the "Borrower"). The proceeds from the Loan will be used by the Borrower to finance a portion of the costs of the acquisition, construction and equipping of an approximately 60 unit multifamily rental housing facility to be known as "Everglades Townhomes" to be available for rental to qualified individuals of low, moderate and middle income (the "Project"). The Project will be located 200 S. Barfield Highway in the City of Pahokee, Florida. The Project will be owned and operated by or on behalf of the Borrower.

The Bonds will mature not later than forty (40) years from their date of issuance and will be payable from the revenues of the Project and/or such other collateral as shall be acceptable to the Authority.

The Bonds will not constitute an indebtedness of the Authority, Palm Beach County, Florida, the State of Florida (the "State") or any other political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

The public hearing will be held at Palm Beach County Airport Center Complex, 100 Australian Avenue, West Palm Beach, Florida 33406, 4th Floor Room 4-790. At such public hearing, persons will be given an opportunity to express their views, both orally and through written statements which are submitted to the Authority on or before the public hearing. Please note that any person entering the Airport Center Complex is required to wear a mask at all times.

Persons wishing to express their views or questions through written statements may do so by submitting them on or before the public hearing to: David M. Brandt, Executive Director, Housing Finance Authority of Palm Beach County, Florida, 100 Australian Avenue, Suite 410, West Palm Beach, FL 33406 or via e-mail: dbrandt@pbcgov.org on behalf of the Authority. Should any person decide to appeal any decision made by the Authority, he or she will need a record of the proceedings and may need to ensure that a verbatim record of the proceedings is made, which record must include testimony and evidence upon which the appeals may be based.

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

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

HOUSING FINANCE AUTHORITY
OF PALM BEACH COUNTY, FLORIDA
11-5/2021

0000669272-01