

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

AGENDA

Community Redevelopment Area Advisory Board

Thursday, July 11, 2019 | 3:00 PM – 5:00 PM
City Commission Conference Room, City Hall

A. Financial Update & Project Tracker*

B. Housekeeping

C. Action Items

- i. Old Business
 - i. Meeting Minutes June 6, 2019 (Pg. 5-6)
 - ii. Midtown Lofts Loan Request (Pg. 7-74)
- ii. New Business

D. Discussion Items

- i. Mirrorton Update

E. Adjourn

* For Information

NEXT REGULAR MEETING:

Thursday, August 1, 2019 3:00 - 5:00 PM – City Commission Conference Room

Downtown Fund



■ Available	\$64,020
■ Expenses	\$819,098
■ Encumbrances	\$1,499,111

Estimated Income in FY 2020 \$1,554,000

Dixieland Fund



■ Available	\$340,168
■ Expenses	\$99,506
■ Encumbrances	\$626,866

Estimated Income in FY 2020 \$279,000

Midtown Fund



■ Available	\$46,993
■ Expenses	\$4,430,726
■ Encumbrances	\$3,516,666

Estimated Income in FY 2020 \$3,345,000

* Estimated Income from Lincoln Square Home Sales \$2,619,000

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

PROJECT PROGRESSION REPORT



STATUS KEY	
RISKS / ROADBLOCKS	
POTENTIAL RISKS	
ON TRACK	

Project	Status	Phase	Funding Allocated	Notes
Food Truck Park	ON TRACK	Construction	\$250,000.00	Site Work Underway: Stem Wall Prepared
Lincoln Square	ON TRACK	Construction	\$4,268,086.00	Phase I Complete Phase II Complete Phase III-IV Underway 80%
114 E. Parker	POTENTIAL RISKS	Bid	\$350,000.00	Bids Received
Lake Parker Art Path	ON TRACK	Pre-Bid	\$730,000.00	Bid in July; PCBS Review
Five Points Roundabout	ON TRACK	Pre-Construction	\$175,000.00	
Kettles Ave Sidewalk	ON TRACK	Construction	\$150,000.00	Complete
Tapatios	ON TRACK	Construction	\$340,000.00	Underway; Site Work & Interior Construction
Mirrorton	ON TRACK	Under Contract	\$970,000.00	Pre-Con Complete June 28th
Providence Rd	ON TRACK	Feasibility Study	\$1,100,000.00	July 25th Site Walk w/ Utilities

LAKELAND CRA

COMMUNITY REDEVELOPMENT AGENCY

PROGRAM PROGRESSION REPORT



STATUS KEY	
RISKS / ROADBLOCKS	
POTENTIAL RISKS	
ON TRACK	

Grants/Programs	Status	Grant Awards to Date	Notes
Alley Vacating	ON TRACK	1	Boundaries located between Florida and Kettles Avenue and 9th and 10th Street
Affordable Housing Partnerships	POTENTIAL RISKS	3	<ul style="list-style-type: none"> • Providence Reserve Seniors (Fall Groundbreaking)- 193 Units • Midtown Lofts- 70+ Units - Funding Gap
Builder's Line of Credit	ON TRACK	1	703 W 5th Street; Underway 40%
Design Assistance	ON TRACK	4	Complete
Down Payment Assistance	RISKS / ROADBLOCKS	17	All Funding Allocated
Façade and Site	ON TRACK	6	2 Proposals Pending
Fix-It Up	RISKS / ROADBLOCKS	9	All Funding Allocated Active Sites • 721 Gilmore Ave • 729 E Crawford St
Food Related	ON TRACK	2	Union Hall Complete Swan Brewing Complete
Infill- New Construction	RISKS / ROADBLOCKS	4	1 lot sold 3 pending
Infill Adaptive Reuse	ON TRACK	7	3 Proposals Pending
Murals / Tapestries	ON TRACK	3	Complete
Second Floor Renovations	ON TRACK	1	65 Lake Morton Underway

**Community Redevelopment Area Advisory Board
Meeting Minutes
Thursday, June 6th, 2019
3:00 – 5:00 PM
City Commission Conference Room, City Hall**

Attendance

Board Members: Ben Mundy (Chair), Pastor Edward Lake (Vice-Chair), Dean Boring, Harry Bryant, Brandon Eady, Brian Goding, Frank Lansford, Commissioner Stephanie Madden and Cliff Wiley

Absent: Zelda Abram and Cory Petcoff

Staff: Alis Drumgo, Valerie Ferrell, D’Ariel Reed and Jonathan Rodriguez

Guests: Michael Allen, Joe Bonora, Palmer Davis (Assistant City Attorney), Brandy Gillenwater, Frank McCaulley, Commissioner Bill Read, Brian Rewis (Assistant Director Community & Economic Development), Officer Rick Taylor (LPD), Tara Walls and Sara-Megan Walsh

Packets

- Meeting Minutes dated May 2nd, 2019
- Financial Update
- Project Progression Report
- Memo- Oak Street Parking Lot Selection Committee Recommendations

Housekeeping

Action Items – Old Business

Meeting Minutes dated May 2nd, 2019

Dean Boring moved approval of the minutes. Frank Lansford seconded the motion which passed unanimously.

Financial Update

Ben Mundy noted the inclusion of the update for informational purposes.

Oak Street Parking Lot Selection Committee Recommendations

Alis Drumgo provided a brief summary of the Oak Street Parking Lot timeline.

The CRA owns 0 N. Kentucky Ave, the Oak Street Parking Lot, comprising 1.49 acres. The lot encompasses a full city block and is situated in an ideal location about a block off both the Massachusetts Avenue corridor to the East and the Florida Avenue corridor to the West. In 2015, the CRA explored issuing request for qualifications (RFQs) for the development site but opted to expand the parking instead. Today, the CRA operates the lot as a public parking facility with about 150 spaces of which approximately 125 are leasable.

In March 2019, the CRA Advisory Board voted 9-1 to solicit requests for qualifications (RFQs) via the City’s purchasing procurement process with the intent of entering an agreement with the most qualified and responsive applicant.

Following the procurement process, two applicants, Broadway Real Estate Services and Catalyst Asset Management Inc, were deemed qualified and responsive. The Selection Committee reviewed the qualifications based on the criteria set forth and deemed Catalyst Asset Management to be the most qualified and most responsive with a ranking of 8 versus Broadway Real Estate Service’s ranking of 13. The lower number holding the most weight.

At the May 2019 meeting the Board voted to hear presentations from both groups. On May 13, 2019 Broadway Real Estate Services submitted a withdrawal letter from consideration of the award.

Catalyst Asset Management Inc (Catalyst) presented the proposal and qualifications to the Board.

Discussion ensued regarding funding and potential risks for the project.

Alis Drumgo recommended the Advisory Board recommend negotiation of a development agreement to City Commission for final approval.

Frank Lansford moved approval of Staff's recommendation with a 90-day cap on development agreement negotiations. Cliff Wiley seconded the motion which passed unanimously.

Action Items – New Business

Discussion Items

Construction documents for 114 E. Parker have gone out to bid and are due back by June 21st. Staff will provide an update on the responses at the July Board meeting.

A pre-construction meeting for the Mirrorton project is scheduled for mid-June. Groundbreaking will be scheduled after closing.

The Yard on Mass team had their groundbreaking ceremony last month. Site work is currently underway.

Lincoln Square is expected to be complete by mid-September.

The Lake Beulah gateway project is now shifting into the design phase.

Green Mills will discuss budget gaps for the Midtown Lofts affordable housing project at the July Board meeting.

The Vermont Avenue Apartments project has been approved by the City Commission. Talbot House has currently raised \$300,000 of the funding needed for the project.

Brandon Eady suggested the Board discuss implementing a formal process for disposing of property going forward. Staff will bring recommendations to the Board at a later date.

Discussion ensued regarding affordable housing and the purchasing procurement process. Tara Walls and Palmer Davis further explained the necessity and requirements of selection committees based on the City's adopted policies.

Adjourned at 4:16 PM

Next Meeting, Thursday, June 6th, 2019 3 PM, City Commission Conference Room.

Ben Mundy, Chairman

Date



228 S MASSACHUSETTS AVE
LAKELAND, FLORIDA 33801
863.834.6011

Memo

To: CRA Advisory Board
From: Valerie Ferrell, CRA Project Manager
Date: July 11, 2019
Re: Midtown Lofts Loan Request

In March 2018, the CRA entered into an Agreement for Purchase and Sale with Green Mills Holdings, LLC for the sale of CRA-owned property located south of Parker Street, east of Stella Avenue, west of Lake Avenue and north of Myrtle Street. The 1.8-acre subject property is largely vacant with only one remaining vacant structure, a concrete block duplex, and was previously assembled in 2006 and 2008 by the CRA. The developer proposed an affordable housing development, with no less than 70 multi-family residential units on the site, with the anticipation of successfully receiving Florida Housing Finance Corporation (FHFC) Low Income Housing Tax Credits. The developer offered a purchase price of \$324,000, less an 8% (or \$25,920) broker fee to be paid by the CRA, so the net proceeds would total \$298,080 for the property. After securing site control, Green Mills pursued the tax credit application cycle in 2018, and after a delayed appeal period were successful in obtaining the tax credits for the project.

Pre-development efforts have been progressing for a number of months. The developer's design team has been working diligently with the site plan layout in collaboration with the City's development review team. A concept review occurred in January 2019 where valuable direction was given to further design and construction document development. In April 2019, the developer also petitioned and received a brownfields designation for the property, which is based on the redevelopment of property that may be complicated by actual or perceived contamination, and generally coincides with properties within CRA boundaries. This designation incentivizes the development of affordable housing by exempting sales and use taxes on certain building materials, adding to the overall financial feasibility.

As pre-development efforts continued, Green Mills has monitored construction cost increases as well as other adjustments to their development budget. The proposed development is one 4-story building containing 80 units, with on-site amenities. Extra effort was made to enhance the street facing elements such as street landscaping, fencing and sidewalks as well as decorative fencing and civic open space.

This is to accommodate minimum development standards as well as complimenting the existing Parker Street neighborhoods, providing a cohesive transition. The developer has provided a total development budget of \$16.2 million. A breakdown is below:

Project Costs	Total	% Total	Per Unit	Per Net Sq. Ft.
Land / Acquisition (inc. Brokerage Fee)	374,000	2%	4,675	5.24
Hard Cost (inc. Owner Items, Solar)	10,326,840	64%	129,086	144.59
Hard Cost Contingency	502,092	3%	6,276	7.03
Developer Fee	2,151,110	13%	26,889	30.12
Construction Interest	363,000	2%	4,538	5.08
Financing Fees / FHFC Fees	689,577	4%	8,620	9.65
Operating Reserves	258,445	2%	3,231	3.62
Soft Costs	1,562,930	10%	19,537	21.88
Total Project Costs	16,227,994	100%	202,849.93	227.21

Green Mills requested a loan to offset an \$800,000 gap in project expenses. The original request submitted included a loan request of \$324,000, at 0% interest for a period of 30-years, which would have offset the land acquisition cost and resulted in a net zero cost to the CRA. However, further negotiations yielded terms that were more favorable for both parties. With this understanding and after meeting with Green Mills representatives, the CRA staff supports the following considerations:

- The CRA will loan 50% of the land value (\$162,000) to Green Mills, as a 0% interest loan to be coterminous with the senior permanent development loan
- The loan will be for a period of 15-years and will have a 2-year additional grace period for leasing up the total number of rental units, for a total loan period not to exceed 17 years. The CRA expires before this time, so the loan will need to be accepted by the City.
- The CRA loan would be subordinate only to the senior permanent development loan, taking second position over all other obligations.
- The CRA loan will not be forgivable.
- Green Mills would provide an amendment to the Agreement of Purchase and Sale removing the CRA's brokerage fee obligation.
- The CRA will support the additional hardscape improvements within public right-of-way on Parker Street, including enhanced sidewalks and landscaping, up to and not exceeding \$25,000. This cost will be further refined during actual construction and will be disbursed at the time of certificate of occupancy on all units of the development.
- The CRA will continue to support expedited plans review through the City's development review process with the expectation that building plans be submitted no later than August 30th.

RECOMMENDATION: Staff recommends approving the loan request and purchase agreement amendment as outlined above to be sent for consideration by the Community Redevelopment Agency Board (with City Commissioners serving in this official capacity).

ATTACHMENTS:

- Request for Loan in Support of Midtown Lofts Memo (May 31, 2019)
- Amendment to Purchase and Sale Agreement draft
- Midtown Lofts Funding Agreement draft
- Original Agreement of Purchase and Sale (March 5, 2018)



May 31, 2019

Alis Drumgo
CRA Director, Lakeland Community Redevelopment Agency
City Hall
228 South Mass. Ave.
Lakeland, FL 33802

RE: Request for Loan in Support of Midtown Lofts

Dear Alis,

Please accept this letter as follow up to our meeting on May 14. Midtown Lofts will provide critical workforce housing to Polk County's families. Moreover, the future development will catalyze revitalization along the Parker Street corridor, improve quality of life for residents, and transform a vacant, underutilized parcel into a valuable community asset.

Midtown Lofts features sustainable "green" design and will be certified to U.S Green Building Council standards. Each apartment will include full-size kitchens, beautiful finishes, ceramic tile bathrooms, large closets, balconies, and energy efficient appliances which will result in additional affordability for future residents. The community will also have amenities, including a fitness center, library, game room, clubroom, and an outdoor grill patio. Midtown Lofts will have a comprehensive Community & Resident Relations Plan that encourages and supports resident activities to foster a genuine sense of "community". The plans for Midtown Lofts are nearing completion and construction is scheduled to begin in September/October. I have attached a preliminary design set which includes elevations and a color rendering.

As you are aware, the need for affordable apartment communities in Lakeland is great and very well-documented. On May 18, the Lakeland Ledger newspaper cited the growing crisis and noted that Aida Palms, another Green Mills apartment community in Lakeland, is the only affordable development that has been built here since 2016. Aida Palms is fully occupied and has a waiting/interest list of over 700 people, some of whom may find their future homes in Midtown Lofts.

During pre-development, several unanticipated events occurred which lead to significant increases in the total development cost. First, the construction schedule was delayed by approximately six months when another developer appealed Florida Housing Finance Corporation's tax credit award to Midtown Lofts, adding additional cost needed to secure the financial entitlements and subsidy awards. Second, underground storm water retention was required due to the site constraints and a lack of area wide drainage capacity. Third, city staff requested that Green Mills provide three-bedroom units in addition to one- and two-bedrooms (eight three-bedroom apartments have been added to the plans). Finally, electric transmission lines adjacent to Midtown Lofts' site required the structure's reorientation which would expose the parking lot; as a response, we have had to significantly increase the landscaping and streetscape budget along Parker Street, including the addition of retention walls.

The above changes created a gap in the project's financing for which we need and would greatly appreciate the CRA's support. At financial closing, anticipated to occur in September, the development will pay the CRA \$324,000 for Midtown Lofts' property, as agreed. While the existing financial gap is much greater than that amount - estimated to be more than \$800,000 - a 0% interest, non-amortizing loan for \$324,000 would greatly assist us in helping to balance the budget without sacrificing design qualities and amenity standards for Midtown Lofts, while also addressing various requests made by the City staff.

We respectfully request a \$324,000, 0% interest, non-amortizing loan with a 30-year term and principal repayment in the Lender's (CRA/City) discretion. This will result in net zero cost at closing to the CRA because the partnership's \$324,000 land acquisition payment would offset a \$324,000 loan from the CRA. The 30-year term is intended to coincide with the senior lender's amortization period. The loan will be secured by a 2nd lien position mortgage.

We are excited about working with the City and CRA and will be available to attend the CRA board meeting to answer any questions.

Yours in Community Partnership,

A handwritten signature in black ink, appearing to read 'Oscar Sol', with a stylized flourish at the end.

Oscar Sol, Manager

Enclosures

Midtown Lofts
Executive Summary

Executive Summary			
Project Name	Midtown Lofts	Unit Mix	
City	Lakeland		
County	Polk	0/1	-
Project Manager	Anna McMaster	1/1	32
New Construction / Rehab	New	2/2	40
Construction Type	Mid-rise	3/2	8
Total Number of Units / GSF	80 / 92,980	4/2	-
Number of Residential Buildings	1	Total 80	
Number of Accessory Buildings	-		

Project Costs	Total	% Total	Per Unit	Per Net Sq. Ft.
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Project Financing	Total	% Total	Per Unit	Per Net Sq. Ft.
Permanent Loan	1,000,000	6%	12,500	14.00
LIHTC Limited Partner Equity	14,343,566	88%	179,295	200.82
Deferred Developer Fee	884,429	5%	11,055	12.38
Total Project Financing	16,227,994	100%	202,849.93	227.21
Construction Loan	8,500,000	52%	106,250	119.01
LIHTC Equity During Construction	5,020,248	31%	62,753	70.29

**Midtown Lofts
Development Set Up**

GENERAL INFORMATION	
Development	Midtown Lofts
City	Lakeland
County	Polk
State	FL
Deal Type:	9% - Comp. TC
% Affordable:	90%
Construction:	New
Building Type:	Mid-rise

TIMING & LEASING ASSUMPTIONS			
(Pre)development Start	Date	3/1/18	Months
Est. Closing	10/1/19	19	# Occupancies upon C.O.
Construction Start Date	10/1/19	0	# Occupancies per Mo.
1st C.O. (lease-up begins)	11/1/20	13	
100% Completion	11/1/20	0	
Full Certified Occupancy	3/1/21	4	
Stab. / Conversion	7/1/21	4	
			Event
			Duration (mos.)
			Length of Construction
			Length of Lease-Up
			Closing Through Conv.

Credit Delivery Schedule	
2020	-
2021	1,434,500
2022	1,510,000

Assumes 80% AMI rents are achievable for unrestricted units.

RENT TABLE										
Bedroom Type	# Units	WA Sq. Ft.	Total Sq. Ft.	AMI Rent %	Type	2018 Max Ren	Net Rent	Monthly Rent	Rent PSF	Annual Rent
1 Bed / 1 Bath	2	748	1,495	40%	ELI	402	330	660	0.441	7,920
1 Bed / 1 Bath	28	748	20,930	60%	LI	603	531	14,868	0.710	178,416
1 Bed / 1 Bath	2	748	1,495	80%	MKT	805	733	1,466	0.981	17,592
2 Bed / 2 Bath	4	958	3,830	40%	ELI	483	391	1,564	0.408	18,768
2 Bed / 2 Bath	32	958	30,643	60%	LI	724	632	20,224	0.660	242,688
2 Bed / 2 Bath	4	958	3,830	80%	MKT	966	874	3,496	0.913	41,952
3 Bed / 2 Bath	2	1,150	2,300	40%	ELI	557	446	892	0.388	10,704
3 Bed / 2 Bath	4	1,150	4,600	60%	LI	836	725	2,900	0.630	34,800
3 Bed / 2 Bath	2	1,150	2,300	80%	MKT	1,115	1,004	2,008	0.873	24,096
Total	80		71,424					48,078		576,936

UNIT SIZES & UTILITY ALLOWANCES		
Type	Ave. SF	U/A Amt
Studio	N/A	
1 Bed / 1 Bath	747.5	72
2 Bed / 2 Bath	957.6	92
3 Bed / 2 Bath	1150	111
4 Bed / 2 Bath	N/A	-

UNIT SET ASIDE				
Type	# Units	% Units	% Income	Key
ELI	8	10.0%	6.5%	Extremely Low Income, 40%AMI
LI	64	80.0%	79.0%	Low Income / Affordable, 60% AMI
MKT	8	10.0%	14.5%	Market / Workforce (Unrestricted)

NOTE: Utility Allowance per Lakeland Electric Letters; not including w/s

OTHER INCOME		
Other Income	PUPY	Per Annum
Cable Revenue	75	5,580
Laundry, W/D	100	7,440
Parking		-
Pet Revenue	25	1,860
Other Income	75	5,580
Total:	275	22,000

Adjusted for vacancy

OPERATING EXPENSES				
Operating Expenses	PUPY	Per Annum	PSF	%
Utilities	650	52,000	0.7280	
Real Estate Taxes	600	48,000	0.6720	
Insurance	420	33,600	0.4704	
R & M	625	50,000	0.7000	
Administrative	500	40,000	0.5600	
Payroll, Tax, Benefits	1,750	140,000	1.9601	
Management Fee (% EGI)	419	33,513	0.4692	6.0%
Security	200	16,000	0.2240	
Replacement Reserve	300	24,000	0.3360	
Other	-	-	-	
Total:	5,464	437,113	6.12	

NOI	
Year 1 Stabilized NOI	118,644

DSCR Checker	
Year 1 Hard DSCR:	1.76
Year 15 Hard DSCR:	1.26

**Midtown Lofts
Sources & Uses**

Sources of Funds:					
		Total (\$)		Per Unit (\$)	%
LIHTC Limited Partner Net Equity		14,343,566		179,295	88.4%
Permanent Loan		1,000,000		12,500	6.2%
Deferred Developer Fee		884,429		11,055	5.5%
Total Sources of Funds		16,227,994		202,850	100.0%
Construction Loan		8,500,000		106,250	52.4%
LIHTC Equity During Construction		5,020,248		62,753	30.9%

Uses of Funds:					
	Cost Type	Total (\$)		Per Unit (\$)	%
Land	Land	324,000		4,050	2.0%
Brokerage Fee (Land)	Land	50,000		625	0.3%
Hard Costs	Hard Costs	10,041,840		125,523	61.9%
Hard Cost Contingency @ 5%	Hard Costs	502,092	5.0%	6,276	3.1%
Solar Array	Hard Costs	30,000		375	0.2%
Owner Items	Hard Costs	255,000		3,188	1.6%
Accounting Fees/Cost Cert	Soft Costs	40,000		500	0.2%
Architect Fees	Soft Costs	379,000	3.77%	4,738	2.3%
Green Commissioning	Soft Costs	40,000		500	0.2%
Builder's Risk Insurance	Soft Costs	50,000		625	0.3%
Building Permits (to confirm)	Soft Costs	48,000		600	0.3%
Utility Connection Fees (to confirm)	Soft Costs	265,280		3,316	1.6%
Environmental Report	Soft Costs	25,000		313	0.2%
Engineering Fees/Report	Soft Costs	65,000		813	0.4%
Impact Fees	Soft Costs	0		0	0.0%
Inspection Fees (includes lender insp)	Soft Costs	40,000		500	0.2%
Insurance	Soft Costs	45,000		563	0.3%
Legal Expenses	Soft Costs	125,000		1,563	0.8%
Market Study/Appraisal	Soft Costs	15,000		188	0.1%
Real Estate Taxes	Soft Costs	50,000		625	0.3%
Soft Cost Contingency	Soft Costs	70,000		875	0.4%
Soils Testing	Soft Costs	15,000		188	0.1%
Survey	Soft Costs	30,000		375	0.2%
Title & Recording	Soft Costs	88,650		1,108	0.5%
Photos, Printing, Website	Soft Costs	12,000		150	0.1%
Travel & Related	Soft Costs	0		0	0.0%
FHFC Credit Underwriting Fee	Soft Costs	13,177		165	0.1%
FHFC Admin. / Allocation Fee	Soft Costs	135,900		1,699	0.8%
FHFC Application Fee	Soft Costs	3,000		38	0.0%
FHFC Compliance Monitoring Fee	Soft Costs	210,000		2,625	1.3%
Other Soft Cost	Soft Costs	0		0	0.0%
Construction Period Interest	Const. Interest	363,000		4,538	2.2%
Const. Loan Fees	Financing Fees	85,000		1,063	0.5%
Const. Loan Closing Costs	Financing Fees	10,000		125	0.1%
Perm Loan Fees	Financing Fees	10,000		125	0.1%
Perm Loan Closing Costs	Financing Fees	2,500		31	0.0%
Other Legal	Financing Fees	155,000		1,938	1.0%
Syndication due diligence	Financing Fees	25,000		313	0.2%
PDL Fees & Interest	Financing Fees	40,000		500	0.2%
Org Costs	Soft Costs	10,000		125	0.1%
Marketing & Lease Up	Soft Costs	75,000		938	0.5%
Capitalized Operating Reserve	Reserves	258,445		3,231	1.6%
Rent-up Expenses	Reserves	75,000		938	0.5%
Developer Fee & Overhead	Dev Fee	2,151,110	16%	26,889	13.3%
Total Uses of Funds		16,227,994		202,850	100.00%

Midtown Lofts
LIHTC 15 Year Cash Flow Projection

Cash Flow Projection																
Year (Timing)	lease-up			stabilized												
Year (Calendar)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Income	<input type="text" value="% Yr 1: 50%"/>															
Gross Potential Rent	288,468	588,475	600,244	612,249	624,494	636,984	649,724	662,718	675,972	689,492	703,282	717,347	731,694	746,328	761,255	776,480
Vacancy Loss	(20,193)	(41,193)	(42,017)	(42,857)	(43,715)	(44,589)	(45,481)	(46,390)	(47,318)	(48,264)	(49,230)	(50,214)	(51,219)	(52,243)	(53,288)	(54,354)
Net Rental Revenue:	268,275	547,281	558,227	569,392	580,779	592,395	604,243	616,328	628,654	641,227	654,052	667,133	680,476	694,085	707,967	722,126
Cable Revenue	2,790	5,692	5,805	5,922	6,040	6,161	6,284	6,410	6,538	6,669	6,802	6,938	7,077	7,218	7,363	7,510
Laundry, W/D	3,720	7,589	7,741	7,895	8,053	8,214	8,379	8,546	8,717	8,891	9,069	9,251	9,436	9,624	9,817	10,013
Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pet Revenue	930	1,897	1,935	1,974	2,013	2,054	2,095	2,137	2,179	2,223	2,267	2,313	2,359	2,406	2,454	2,503
Other Income	2,790	5,692	5,805	5,922	6,040	6,161	6,284	6,410	6,538	6,669	6,802	6,938	7,077	7,218	7,363	7,510
Total Other Income:	10,230	20,869	21,287	21,712	22,147	22,589	23,041	23,502	23,972	24,452	24,941	25,439	25,948	26,467	26,997	27,536
Net Revenue:	278,505	568,151	579,514	591,104	602,926	614,985	627,284	639,830	652,627	665,679	678,993	692,573	706,424	720,552	734,963	749,663
Operating Expenses	<input type="text" value="% Yr 1: 75%"/>															
Utilities	39,000	53,560	55,167	56,822	58,526	60,282	62,091	63,953	65,872	67,848	69,884	71,980	74,140	76,364	78,655	81,014
Real Estate Taxes	36,000	49,440	50,923	52,451	54,024	55,645	57,315	59,034	60,805	62,629	64,508	66,443	68,437	70,490	72,604	74,782
Insurance	25,200	34,608	35,646	36,716	37,817	38,952	40,120	41,324	42,563	43,840	45,156	46,510	47,906	49,343	50,823	52,348
R & M	37,500	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	69,212	71,288	73,427	75,629	77,898
Administrative	30,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757	55,369	57,030	58,741	60,504	62,319
Payroll, Tax, Benefits	105,000	144,200	148,526	152,982	157,571	162,298	167,167	172,182	177,348	182,668	188,148	193,793	199,607	205,595	211,763	218,115
Management Fee (% EGI)	25,135	34,518	35,554	36,621	37,719	38,851	40,016	41,217	42,453	43,727	45,039	46,390	47,782	49,215	50,691	52,212
Security	12,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927
Replacement Reserve	18,000	24,000	24,000	24,000	24,000	24,720	24,720	24,720	24,720	24,720	24,720	25,462	25,462	25,462	25,462	25,462
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses:	327,835	449,506	462,272	475,420	488,962	503,631	517,999	532,797	548,039	563,739	579,909	597,307	614,462	632,132	650,332	669,078
Net Operating Income:	(49,330)	118,644	117,242	115,684	113,964	111,353	109,286	107,033	104,587	101,940	99,083	95,266	91,962	88,420	84,631	80,585
Hard Debt Service	49,330	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)	(67,384)
Net Cash Flow	(2)	51,268	49,858	48,301	46,580	43,970	41,902	39,649	37,204	34,557	31,700	27,882	24,578	21,037	12,248	8,201
DSCR	-	1.76	1.74	1.72	1.69	1.65	1.62	1.59	1.55	1.51	1.47	1.41	1.36	1.31	1.26	1.20

AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS AMENDMENT TO PURCHASE AND SALE AGREEMENT (the “**Amendment**”) is made and entered into as of the ___ day of _____, 2019 (the “**Effective Date**”), by and between LAKELAND COMMUNITY REDEVELOPMENT AGENCY (“**Seller**”) and MIDTOWN LOFTS, LTD., a Florida limited partnership (“**Purchaser**”).

WHEREAS, Green Mills Holdings, LLC (“Green Mills”) and Seller previously entered into that certain Agreement of Purchase and Sale dated as of March 5, 2018 regarding the sale and purchase of the property located in Polk County, Florida being more particularly designated therein (the “Property”), with the rights of Green Mills having been assigned to Purchaser pursuant to an assignment dated as of March 6, 2018 (together, the “Contract”);

WHEREAS, Purchaser and Seller desire to modify and amend the Contact as hereinafter set forth;

NOW, THEREFORE, for good and adequate consideration, Purchaser and Seller hereby covenant and agree as follows:

1. Buyer and Seller hereby amend Section 13 of the Contract to provide that the Buyer, and not the Seller, shall pay at Closing an eight percent (8%) commission to Strickland Real Estate.
2. Except as modified herein, the Contract remains in full force and effect.
3. In the event of any conflict between the terms of this Amendment and the terms of the Contract, the terms of this Amendment shall control.

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IN WITNESS WHEREOF, Purchaser and Seller have caused this Amendment to be executed and to be effective as of the date set forth above.

SELLER:

**LAKELAND COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
Name: _____
Title: _____

PURCHASER:

MIDTOWN LOFTS, LTD., a Florida limited partnership

By: Midtown Lofts GP, LLC, a Florida limited liability company, its general partner

By: Green Mills Holdings, LLC, a Florida limited liability company, its manager

By: _____
Oscar Sol, Manager

MIDTOWN LOFTS

Funding Agreement

AN AGREEMENT BETWEEN THE LAKELAND COMMUNITY REDEVELOPMENT AGENCY AND MIDTOWN LOFTS, LTD., A FLORIDA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF AFFORDABLE HOUSING WITHIN THE JURISDICTION OF POLK COUNTY, FLORIDA IN AN AMOUNT NOT TO EXCEED \$162,000.00 (THE "LCRA FUNDS")

THIS AGREEMENT, hereinafter referred to as the "Agreement," entered into as of _____, 2019, by and between **THE LAKELAND COMMUNITY REDEVELOPMENT AGENCY**, an agency created by the City of Lakeland, Florida (the "City") under Chapter 163, Florida Statutes (the "LCRA") the address of which is 228 S. Massachusetts Avenue, Lakeland, Florida 33801, and **MIDTOWN LOFTS, LTD.**, a Florida limited partnership, organized and existing under the laws of the State of Florida (the "Project Sponsor"), the address of which is 100 SE 3rd Avenue, Floor 10, Fort Lauderdale, Florida 33394.

WHEREAS, the City is undertaking or has undertaken certain activities, including the creation of the LCRA to develop and sustain viable communities, to provide decent housing and a suitable living environment and to expand economic opportunities principally for persons and households of very low, low and moderate income in various community redevelopment areas; and

WHEREAS, the LCRA intends to encourage public-private partnerships and secure cooperation of the public and private sectors to reduce the cost of housing for very-low, low and moderate income persons by effectively combining resources and cost-saving measures; and

WHEREAS, in pursuit of its goals, the LCRA desires to enter into an agreement with the Project Sponsor to provide funding for development and construction costs for an apartment complex, which will include at least 80 units of affordable rental housing as more particularly noted in **Exhibit "A"** in Polk County, hereinafter referred to as the "Project" and located in a community redevelopment area in the City; and

WHEREAS, the development and construction costs for an affordable housing community is an eligible activity for which LCRA Funds may be used as it supports the City's mission to provide affordable housing opportunities.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

The recital clauses stated above and the following attached documents are hereby incorporated hereto:

Exhibit A	Scope of Services
Exhibit A-1	Hardscape Plan
Exhibit B	Request for Payment
Exhibit C	Legal Description
Exhibit D	Insurance Requirements
Exhibit E	Monthly Reporting
Exhibit F	Occupancy and Rent Reporting Form
Exhibit G	Equal Opportunity Clause
Schedule 1	Second Mortgage
Schedule 2	Promissory Note

ARTICLE I. SCOPE OF SERVICE

Project Sponsor shall carry out, or cause to be carried out, the work described in **Exhibit "A,"** attached hereto and made part hereof.

- A. All work shall be completed in compliance with all applicable Polk County Codes and Ordinances and in a satisfactory and proper manner as reasonably determined by the LCRA. Such services shall be performed, except as otherwise stated herein, by persons or instrumentalities solely under the domain and control of the Project Sponsor.
- B. Project Sponsor agrees that all housing shall meet the design and construction requirements at 24 CFR § 100.205, which implements the Fair Housing Act (42 U.S.C. §§ 3601-3619), if applicable. Project Sponsor shall cooperate with the LCRA in the disbursement of funds for the payment of contracted labor and related development and construction costs.
- C. Project Sponsor has primary responsibility to market vacant units. The Project Sponsor will affirmatively market any unit available in a manner to attract residents without regard to race, creed, color, national origin, age, sex, religion, marital status, familial status or disability. The Project Sponsor agrees, in soliciting residents, to comply with all applicable Equal Housing Opportunity Laws.
- D. Project Sponsor shall maintain such records and accounts as required by applicable law, including, if applicable, program records, project records; financial records; project administration records; equal opportunity and fair housing records; affirmative marketing; records demonstrating compliance with the income determination requirements; records supporting exceptions to the conflict of interest prohibition pursuant to Article XI; debarment and suspension certifications for general contractors and subcontractors; and any other records as are deemed reasonably necessary by the LCRA to assure a proper accounting and monitoring of all LCRA Funds.
- E. LCRA will be responsible to make up to \$25,000 of hardscape improvements to the public right of way along Parker Street as shown on Exhibit "A-1" attached hereto. Such improvements are subject to change as the permitting process continues. The LCRA, in its sole discretion, may fulfill this obligation utilizing City forces or may hire the Project Sponsor's general contractor to do the work as long as reasonable insurance is provided to the Project Sponsor. However, if the tax credit investor's attorneys determine that this arrangement is likely to result in additional taxable income to the Project Sponsor, then the Project Sponsor will be permitted to do the work and the loan amount hereunder will be increased by the cost of the hardscape improvements up to \$25,000 and will be handled as a draw under the loan.

ARTICLE II. PERIOD OF AGREEMENT AND EFFECTIVE DATE

This Agreement shall be effective upon execution and delivery hereof and shall remain in full force and effect, unless earlier terminated as provided herein, until the repayment of all amounts due under the Promissory Note attached hereto as Schedule 2. The funding for this Project shall be expended by March 1, 2021.

ARTICLE III. CONSIDERATION AND PAYMENT

For its performance under this Agreement, the Project Sponsor will receive LCRA Funds from the LCRA in an amount not to exceed One Hundred Sixty-Two Thousand Dollars and NO/100, (\$162,000.00), hereinafter referred to as the "LCRA Funds," for development and construction provided during the term

of this Agreement.

Project Sponsor shall execute and record in the Public Records of Polk County, Florida, a Second Mortgage in Schedule 1 and the Promissory Note in Schedule 2. The loan documents and Lender's rights hereunder shall be subordinate in all respects to the Superior Mortgages (as defined in the Mortgage) and the LCRA agrees to execute and deliver in favor of the senior lenders standard subordination agreements of such lenders.

ARTICLE IV. CANCELLATION OF AGREEMENT

Except as otherwise provided herein, this Agreement may be cancelled by either party for cause if the other party materially fails to comply with the terms and conditions of this Agreement after reasonable notice and opportunity to cure. Either party will be required to provide thirty (30) days advance written notice of such cancellation, to the other at its address as herein specified subject to the Cure Period as specified in Article V.

ARTICLE V. DEFAULT AND TERMINATION FOR NON-PERFORMANCE

A default shall consist, to the extent of any material adverse effect on the LCRA, of any use of LCRA Funds for a purpose other than as authorized by this Agreement, material noncompliance with any provision herein, any material breach of the Agreement, failure to comply with the audit requirements as provided in Article XVI herein, or failure to expend LCRA Funds in a timely or proper manner.

Upon the occurrence of any such default the LCRA shall serve due notice, in accordance with Article XXX, to the Project Sponsor and Raymond James Tax Credit Funds, Inc. (the "Limited Partner"), at which time the Project Sponsor and Limited Partner shall have a reasonable opportunity to respond and cure. Limited Partner shall have the right, but not the obligation, to cure any default of Project Sponsor. The LCRA will accept or reject such action as curing such default on the same basis as if such payment or cure were made directly by Project Sponsor. For purposes of this Agreement, a reasonable opportunity to respond and cure any default shall be ten (10) days (in the case of monetary defaults) or thirty (30) days (in the case of non-monetary defaults) from the date the LCRA delivers by personal service or mails written notice of such default to the Project Sponsor, hereinafter referred to as the "Cure Period". If the default is not cured to the satisfaction of the LCRA, the LCRA shall have the right, in its reasonable discretion, to take the following action(s):

- (a) Upon a written request from Project Sponsor setting forth a reasonable basis to support the need for an additional Cure Period, the LCRA may grant an additional Cure Period by written acknowledgment thereof; or,
- (b) Terminate this Agreement by written notice thereof; or
- (c) Take such other action, including but not limited to: temporarily withholding cash payments pending correction of the deficiency by the Project Sponsor, reasonably disallow all or part of the cost of the activity or action not in compliance, withhold further awards for the Project or take other remedies that may be legally available.

Costs resulting from obligations incurred by the Project Sponsor during a suspension or after termination of an award are not allowable unless the LCRA expressly authorizes them in the notice of suspension or termination or subsequently. Other Project Sponsor costs during suspension or after termination, which are necessary and not reasonably avoidable, are allowed if:

- (a) The costs result from obligations which were properly incurred by the Project Sponsor before the effective date of suspension or termination, and are not in anticipation of it, and, in the case of a termination, are noncancellable; and,
- (b) The costs would be allowed if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

Consistent with Article XXXII herein, no delay or omission by LCRA in exercising any right or remedy available to it under the Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Project Sponsor default.

ARTICLE VI. ADDITIONAL RIGHTS AND REMEDIES

Nothing contained herein shall be construed as a limitation on such other rights and remedies available to the parties under law or in equity which may now or in the future be applicable.

ARTICLE VII. FISCAL NON-FUNDING CLAUSE

If this Agreement is funded in whole or in part by federal or state dollars which are reduced or become unavailable, the City shall notify the Project Sponsor of such occurrence and the LCRA may reduce funding or terminate this Agreement without penalty or expense to the LCRA, upon no less than twenty-four (24) hours written notice to the Project Sponsor.

ARTICLE VIII. ASSIGNMENT

Project Sponsor shall not assign this Agreement or any part hereof without the prior written consent of the LCRA, which consent shall not be unreasonably withheld, delayed or conditioned.

ARTICLE IX. COMPLIANCE WITH APPLICABLE LAWS

The Project Sponsor certifies that it will comply with all applicable laws, orders, and codes of the State and local governments as they pertain to this Agreement.

ARTICLE X. EQUAL OPPORTUNITY CLAUSE

The Project Sponsor agrees to comply with the requirements of all applicable state, federal, and local laws, rules, regulations, ordinances and Executive Orders prohibiting and/or relating to discrimination, including but not limited to, Executive Order 11246 as amended and supplemented, 41 CFR §§ 60 - 1.4 and Polk County Code Chapter 50, all of which are hereby incorporated by reference.

When expending LCRA Funds, the Project Sponsor shall, within the eligible population, comply with the following requirements for nondiscrimination on the basis of race, creed, color, religion, sex, national origin, age, familial status, marital status and handicap:

- A. Equal Opportunity.** Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and implementing regulations in 24 CFR Part 1 which prohibit discrimination in any program or activity funded in whole or in part with funds made available under this Agreement.
- B. Nondiscrimination in Housing.** The Project Sponsor certifies that in accordance with the provisions of Chapter 760, Part II, Florida Statutes, as amended, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.

ARTICLE XI. CONFLICT OF INTEREST

The Project Sponsor guarantees that no member of, or Delegate to, the Congress of the United States shall be admitted to any share or part of this contract or to any benefit to arise from the same.

The Project Sponsor agrees that no member of the governing body of the locality in which the Project Sponsor is situated, no other public official of such locality or localities, and no person, unless expressly permitted by the State, who is an employee, agent, consultant, officer, or elected or appointed official of the Project Sponsor, and who exercises or has exercised any functions or responsibilities with respect to the HOME Investment Partnership Program, hereinafter referred to as "HOME", the SHIP Program, or the Community Development Block Grant Program, hereinafter referred to as "CDBG", assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the SHIP, HOME or CDBG assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or with respect to the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter.

The Project Sponsor represents that it presently has no interest, and shall not acquire such interest, financial or otherwise, direct or indirect, nor engage in any business transaction or professional activity or incur any obligation of any nature which would conflict in any manner with the performance of scope of service required hereunder.

Without receiving prior written authorization by the LCRA, the Project Sponsor shall not (i) retain any individual or company with whom the Project Sponsor or any individual member thereof has a financial or other conflict of interest; nor (ii) in fulfillment of this Agreement, do business with a for-profit entity in which the Project Sponsor or any individual member has a financial or other interest therein unless those services and functions are performed at market prices which are indicative of arms length transactions. The LCRA acknowledges that certain affiliates of the Project Sponsor will perform guaranty, management, construction and development services and will receive compensation therefor.

The Project Sponsor warrants to the LCRA that no gifts or gratuities have been or will be given to any LCRA or City employee or agent, directly or indirectly, to obtain this Agreement.

ARTICLE XII. PROJECT PUBLICITY

The Project Sponsor shall recognize the LCRA for its contribution in promotional material and at events or workshops for which funds from this Agreement are allocated. Any news release or other type of publicity pertaining to the scope of work performed pursuant to this Agreement must recognize the LCRA as a sponsor. The Project Sponsor shall in no way use any statements, whether written or oral, made by the LCRA's employees to market, sell, promote or highlight the Project Sponsor and/or the Project Sponsor's product(s) and/or service(s) unless authorized to do so, in writing, by the LCRA. In addition, the Project Sponsor shall not use subjective or perceived interpretations, even if factual, regarding the LCRA's opinion of the Project Sponsor's performance, product(s) and/or service(s) in any document, article, publication or press release designed to market, promote or highlight the Project Sponsor and/or the Project Sponsor's product(s) and/or service(s). This does not prevent the Project Sponsor from including the LCRA on its client lists and/or listing or using the LCRA as a reference.

ARTICLE XIII. INTENTIONALLY DELETED

ARTICLE XIV. PUBLIC ENTITY CRIMES

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, as amended, for Category Two for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.

Additionally, pursuant to LCRA policy, a conviction of a public entity crime may cause the rejection of a bid, offer, or proposal. The LCRA may make inquiries regarding alleged convictions of public entity crimes. The unreasonable failure of a bidder, offeror or proposer to promptly supply information in connection with an inquiry may be grounds for rejection of a bid, offer, proposal or reply.

ARTICLE XV. MAINTENANCE OF RECORDS

Project Sponsor shall maintain all records and accounts, including property, personnel and financial records, contractual agreements, construction reports, subcontracts, proof of required insurance, and any other records related to or resulting from the activities performed under this Agreement to assure a proper accounting and monitoring of all LCRA Funds. This Article shall survive the expiration or earlier termination of this Agreement.

With respect to all matters covered by this Agreement, records will be made available for examination, audit, inspection or copying purposes at any time during normal business hours and as often as the County, State, representatives of the Comptroller General of the United States or other federal agency may require. Project Sponsor will permit same to be examined and excerpts or transcriptions made or duplicated from such records, and audits made of all contracts, invoices, materials, records of personnel and of employment and other data relating to all matters covered by this Agreement.

The LCRA's right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local, state or federal. Project Sponsor shall retain all records and supporting documentation applicable to this Agreement for five (5) years after receipt of final payment from the LCRA, for inspection and copying. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or the end of the required period, whichever is later. The retention period starts from the date the final unit is occupied by a low income beneficiary and the LCRA's submission of the annual Accomplishments Report, as prescribed in Chapter 420, Florida Statutes, in which the activities as described in **Exhibit "A"** are reported on for the final time rather than from the date of submission of the final expenditure report for the award.

ARTICLE XVI. AUDIT REQUIREMENTS

The Project Sponsor shall, at its own cost and expense, cause to be carried out an independent annual audit. The annual audit shall be completed, and after completion, a copy shall be furnished to the LCRA within 10 (ten) days of written request by the LCRA, unless a longer period is agreed to in advance by the LCRA. For purposes of this Agreement, an operating and/or audit year is the equivalent to the

Project Sponsor's fiscal year.

In the event the audit shows that the entire funds disbursed hereunder, or any portion thereof, were not expended in accordance with the conditions of this Agreement, the Project Sponsor shall be held liable for reimbursement to the LCRA of all funds not expended in accordance with these applicable regulations and Agreement provisions within thirty (30) days after the LCRA has notified Project Sponsor of such noncompliance. Said reimbursement shall not preclude the LCRA from taking any other action as provided in Article V herein.

If expenditure does not exceed \$500,000.00 during an operating year, Project Sponsor shall submit to the LCRA within one hundred eighty (180) days after the end of the Project Sponsor's fiscal year, and otherwise upon request by the LCRA, audited financial statements, which must comply with Generally Accepted Accounting Principles (GAAP), covering the entire Term of this Agreement. If the Project Sponsor fails to provide its audited financial statements within the one hundred eighty (180) day time period referenced above, then, the Project Sponsor shall be in default hereunder. Notwithstanding the foregoing, the LCRA may grant the Project Sponsor an extension of the one hundred eighty (180) day time period to provide its audited financials, but such extension shall be solely at the LCRA's discretion.

ARTICLE XVII. EVALUATION

The Project Sponsor agrees that the LCRA shall have the right, but not the responsibility, for monitoring and evaluating all aspects of the services provided under this Agreement. The LCRA shall have reasonable access to and be able to make copies and transcriptions of such records as may be necessary in the reasonable determination of the LCRA to accomplish this purpose, subject to state and federal confidentiality requirements.

In order to properly monitor and evaluate the Project Sponsor's performance under this Agreement, the LCRA shall have the right to make on-site inspections as often as it deems reasonably necessary with reasonable advanced notice of inspections. Further, the Project Sponsor shall submit an activity report with each reimbursement request which details the progress made to date toward the completion of the activities authorized under **Exhibit "A"** or in a format materially the same which is also acceptable to senior lender(s). Failure by the Project Sponsor to assist the LCRA in its monitoring and evaluation efforts, including allowing the LCRA to conduct the on-site inspections and have access to the Project Sponsor's records, and/or failure to submit the activity reports, as required, shall result in the imposition of sanctions as specified in Article V herein.

ARTICLE XVIII. DRUG FREE WORKPLACE

The Project Sponsor shall assure the LCRA that it will administer, in good faith, a policy designed to ensure that the Project Sponsor is free from the illegal use, possession, or distribution of drugs or alcohol.

ARTICLE XIX. ENVIRONMENTAL REVIEW

The Project Sponsor further agrees that it shall supply the LCRA with the environmental reports obtained by the Project Sponsor relating to the Project for review by the LCRA.

ARTICLE XIX. NEGATION OF AGENT OR EMPLOYEE STATUS

The Project Sponsor shall perform this Agreement as an independent agent and nothing contained herein shall in any way be construed to constitute the Project Sponsor or any assistant, representative, agent, employee, independent contractor, partner, affiliate, holding company, subsidiary or subagent of

the Project Sponsor to be a representative, agent, subagent, or employee of the LCRA.

The Project Sponsor certifies its understanding that the LCRA is not required to withhold any federal income tax, social security tax, state and local tax, to secure worker's compensation insurance or employer's liability insurance of any kind, or to take any other action with respect to this insurance or taxes of the Project Sponsor and assistant(s) of the Project Sponsor.

In no event shall any provision of this Agreement make the LCRA or any political subdivision of the State of Florida liable to any person or entity that contracts with or provides goods or services to the Project Sponsor in connection with the services the Project Sponsor has agreed to perform hereunder or otherwise, or for any debts or claims of any nature accruing to any person or entity against the Project Sponsor. There is no contractual relationship, either express or implied, between the LCRA or any political subdivision of the State of Florida and any person or entity supplying any work, labor, services, goods or materials to the Project Sponsor as a result of the provisions of the services provided by the Project Sponsor hereunder or otherwise.

ARTICLE XX. INDEPENDENT CONTRACTORS/THIRD PARTY BENEFICIARIES

All work authorized under this Agreement that requires a contracting license pursuant to either Part I or Part II, Chapter 489, Florida Statutes, as amended, shall be performed by properly licensed contractors who shall obtain all necessary permits and inspections. The subcontracting of work by the Project Sponsor to properly licensed contractors shall not in any way affect the provisions of this Agreement. All contracts between the Project Sponsor and properly licensed contractors for work to be performed under this Agreement shall be in writing.

This Agreement is for the benefit of the LCRA and the Project Sponsor. No third party is an intended beneficiary so as to entitle that person to sue for an alleged breach of this Agreement. The Project Sponsor acknowledges and agrees that it is acting as an independent contractor in performing its obligations hereunder and not as an agent, officer or employee of the LCRA.

ARTICLE XXI. INDEMNIFICATION

The Project Sponsor shall indemnify, hold harmless, and defend the LCRA and the respective agents and employees of the LCRA, hereinafter collectively referred to as the "Indemnified Parties", from and against any and all liabilities, losses, claims, damages, demands, expenses or actions, either at law or in equity, including court costs and attorneys' fees, that may hereafter at any time be made or brought by anyone on account of personal injury, property damage, loss of monies, or other loss, allegedly caused or incurred, in whole or in part, as a result of any negligent, wrongful, or intentional act or material omission, or based on any act of fraud or defalcation by the Project Sponsor, its agents, subcontractors, assigns, heirs, and employees during performance under this Agreement. The extent of this indemnification shall not be limited in any way as to the amount or types of damages or compensation payable to any of the Indemnified Parties on account of any insurance limits contained in any insurance policy procured or provided in connection with this Agreement. In any and all claims against any of the Indemnified Parties by any employee of the Project Sponsor, any subcontractor, heir, assign, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation under this Article shall not be limited in any way as to the amount or type of damages, compensation or benefits payable by or for the Project Sponsor or any subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. The provisions of this Article shall survive the termination of this Agreement. Project Sponsor shall be entitled to reasonable notice of and a reasonable opportunity to defend any indemnifiable action hereunder.

ARTICLE XXII. INSURANCE

The Project Sponsor shall procure and maintain throughout the Term of this Agreement on behalf of itself and the LCRA, insurance against loss by fire, flood (where required) and other hazards, casualties and contingencies in materially the same fashion as required by other lender(s) and/or limited partners, and as stated below, and as set forth in the Mortgage (Schedule 1) securing the LCRA's lien on the property. All insurance shall be from responsible companies duly authorized to do business in the State of Florida. The Project Sponsor will pay promptly when due any and all premiums on insurance.

The Project Sponsor shall ensure that the LCRA is named as an additional insured party as to the actions of the Project Sponsor, its employees, agents and assigns, performing or providing materials and/or services to the Project Sponsor during the performance of this Agreement, on (i) all auto liability policies and general liability policies required to be obtained by the Project Sponsor pursuant to this Agreement, and (ii) all other insurance policies required by this Agreement where such an endorsement is reasonably available in the industry. All such insurance policies shall also contain a Severability of Interests provision. Every insurance policy must provide thirty (30) days prior written notice to the LCRA of any cancellation, intent not to renew, or reduction in the policy coverage.

ARTICLE XXIII. RECAPTURE OF LCRA FUNDS

Subject to the conditions set forth in this Agreement, it is the intent of the parties that the LCRA shall recapture any LCRA Funds provided under this Agreement if the Project is considered in material default under any of the provisions in this Agreement and such default is not cured during the Cure Period.

ARTICLE XXIV. REVERSION OF ASSETS

Within thirty (30) days following the expiration or termination of this Agreement prior to the expiration of the applicable period of eligibility, the Project Sponsor shall transfer to the LCRA any LCRA Funds on hand at the time of expiration or termination of this Agreement if the LCRA Funds have not been expended on eligible costs pursuant to this Agreement and any interest income attributable to the use of the LCRA Funds to the extent those funds have been previously transferred to Project Sponsor.

ARTICLE XXV. ACCESS TO RECORDS

Project Sponsor will keep and maintain public records that ordinarily and necessarily would be required by the LCRA in order to perform services. Project Sponsor will provide the public with access to public records on the same terms and conditions that the LCRA would provide the records and at a cost that does not exceed the cost as provided in Florida Statutes chapter 119 or otherwise as provided by law. The Project Sponsor will ensure that the public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law and except as the Project Sponsor believes is reasonably necessary to conduct its business. For the avoidance of doubt, the parties agree that in no event will exempt or confidential and exempt information be disclosed to the general public or for marketing purposes, but shall only be disclosed to enable the Project Sponsor to meet its legal and operational requirements with respect to the Project. Project Sponsor will meet all requirements for retaining public records and transfer, at no cost, to the LCRA all public records in possession of the Project Sponsor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the LCRA in a format that is compatible with the information technology system of the LCRA. If Project Sponsor does not comply with a public records request, the LCRA shall enforce the contract provisions in accordance with the contract.

ARTICLE XXVI. SURVIVABILITY/SEVERABILITY

Any term, condition, covenant or obligation which requires performance by either party subsequent to termination of this Agreement shall remain enforceable against such party subsequent to such termination.

In the event any section, sentence, clause or provision of this Agreement is held to be invalid, illegal or unenforceable by a court having jurisdiction over the matter, the remainder of the Agreement shall not be affected by such determination and shall remain in full force and effect.

ARTICLE XXVII. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

ARTICLE XXVIII. GOVERNING LAWS

Each party covenants and agrees that any and all legal actions arising out of or connected with this Agreement shall be instituted in the Circuit Court of the Tenth Judicial Circuit, in and for Polk County, Florida, or in the United States District Court for the Middle District of Florida, as the exclusive forums and venues for any such action, subject to any right of either party to removal from state court to federal court, which is hereby reserved, and each party further covenants and agrees that it will not institute any action in any other forum or venue and hereby consents to immediate dismissal or transfer of any such action instituted in any other forum or venue. This Agreement is entered into within, and with reference to the internal laws of, the State of Florida, and shall be governed, construed and applied in accordance with the internal laws (excluding conflicts of law) of the State of Florida.

ARTICLE XXIX. AUTHORIZATION

Each party represents to the other that such party has authority under all applicable laws to enter into an agreement containing such covenants and provisions, that all of the procedural requirements imposed by law upon each party for the approval and authorization of this Agreement have been properly completed, and that the persons who have executed this Agreement are duly authorized and empowered to do so.

ARTICLE XXX. NOTICE AND GENERAL CONDITIONS

All notices which may be given pursuant to this Agreement shall be in writing and shall be delivered by personal service or by certified mail return receipt requested addressed to the parties at their respective addresses indicated below or as the same may be changed in writing from time to time.

**CITY OF LAKELAND COMMUNITY
REDEVELOPMENT AGENCY:**
228 S. Massachusetts Avenue
Lakeland, Florida 33801
Attn. CRA Manager

PROJECT SPONSOR:
Midtown Lofts, Ltd.
100 SE 3rd Avenue, Floor 10
Fort Lauderdale, Florida 33394

With a copy to:
Office of the City Attorney:
City of Lakeland

228 S. Massachusetts Avenue
Lakeland, Florida 33801
Attn. City Attorney

Limited Partner:

ARTICLE XXXI. TERMS

Capitalized terms contained herein shall have the definition assigned. Capitalized terms contained herein that do not have the definition assigned shall have the meaning assigned in the applicable state statute or regulation. All article and descriptive headings of paragraphs in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

ARTICLE XXXII. ESTOPPEL/WAIVER

A waiver of any performance or default by either party shall not be construed to be a continuing waiver of other defaults or non-performance of the same provision or operate as a waiver of any subsequent default or non-performance of any of the terms, covenants, and conditions of this Agreement. The payment or acceptance of fees for any period after a default shall not be deemed a waiver of any right or acceptance of defective performance.

ARTICLE XXXIII. MERGER AND MODIFICATIONS

This Agreement together with the Exhibits embodies the entire agreement and understanding between the parties hereto and there are no other agreements and/or understandings, oral or written, with respect to the subject matter hereof, that are not merged herein and superseded hereby. This Agreement may only be amended or extended by a written instrument executed by the LCRA and the Project Sponsor expressly for that purpose.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

IN WITNESS HERETO, the parties herein have caused this Agreement to be executed as of the day and year first above written.

Witness Signature

Name printed or typed

Witness Signature

Name printed or typed

**LAKELAND COMMUNITY
REDEVELOPMENT AGENCY**

By: _____
Name: _____
Title: _____

Witness Signature

Name printed or typed

Witness Signature

Name printed or typed

MIDTOWN LOFTS, LTD., a Florida limited partnership

By: Midtown Lofts GP, LLC, a Florida limited liability company, its general partner

By: Green Mills Holdings, LLC, a Florida limited liability company, its manager

By: _____
Mitchell Rosenstein, Manager

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____day of _____, 2019, by MITCHELL ROSENSTEIN, as Manager of Green Mills Holdings, LLC, a Florida limited liability company, as manager of Midtown Lofts GP, LLC, a Florida limited liability company, as general partner of Midtown Lofts, Ltd., a Florida limited partnership, who is personally known to me or who has/have produced _____ as identification.

NOTARY SEAL

Name:
Notary Public
Serial Number:
My Commission Expires:

EXHIBIT "A"
SCOPE OF SERVICES

Midtown Lofts

Section I. SERVICES TO BE RENDERED BY PROJECT SPONSOR

The Project Sponsor will acquire the property and develop and construct an eighty (80) unit four-story apartment community in which ninety percent (90%) of the units shall be made available for low income and very low income residents. The Project is located at 729 E. Parker Street, Lakeland, FL 33801 in Polk County, more formally described in **Exhibit "C."**

Project amenities include a community room, exercise room, computer room, management offices, etc. Unit amenities include central heat and air-conditioning, dishwasher, refrigerators, oven/ranges, and balconies. Additional common area amenities will include: a leasing office, laundry, etc. The development will comply with green standards and general design features required by Florida Housing Finance Corporation ("FHFC"). The Project Sponsor shall provide a variety of educational, job preparation, and recreational services at no charge to the residents. These services may include, but are not limited to on-site activities, classes, and resident assistance referral programs.

At least 64 units will be leased to or held available for occupancy by households at or below 60% of Area Median Income, and at least eight (8) units being leased to or held available for occupancy by households at or below 40% of the Area Median Income. Eight (8) units will have no income or rent restrictions.

Upon the effective date of this Agreement, the maximum rent allowable per unit, based on composition, is determined by the FHFC Rent Limit chart for low income housing tax credit projects, updated annually. To the extent permitted, Section 42 regulations will govern in event of any conflict.

The maximum allowable rents must be reduced if the tenant pays for utilities. The utility allowance schedule prepared by the applicable local public housing authority or utility allowances prepared specific to the Project and as approved by FHFC and/or its assigned underwriter(s), upon approval by the applicable utility, should be used in the maximum rent determination.

The Project Sponsor will determine each tenant's eligibility by initially confirming the tenant's annual income and will continue to comply with tenant income determinations in accordance with Section 420.9071, Florida Statutes. The total household income of any respective tenants will be determined and verified for compliance with these income limits prior to occupancy. The Project Sponsor will select and place eligible households into units on a first-come, first-serve basis in a manner which will, ensure there will be no discrimination on the basis of race, creed, color, age, sex, familial or marital status, handicap, religion, or national origin. Selection and qualification criteria will follow affordability guidelines as published by the FHFC, typically on an annual basis. At initial occupancy, household income cannot exceed the designated area's median income adjusted for family size for an identified percentage category as identified on the FHFC Income Limits Chart.

The eligibility period commences upon funding of the LCRA Funds to the Project Sponsor. The tenant eligibility requirements apply without regard to the transfer of ownership. The eligibility requirements shall terminate upon the earlier of payment in full under the Promissory Note, 15 years from the date of funding of the LCRA Funds or upon transfer of the Project pursuant to foreclosure or a deed in lieu of foreclosure.

The LCRA Funds will be immediately repaid in full by the Project Sponsor in the event it is determined that the multi-family project is out of compliance with the requirements of Chapter 420, Part VII, Florida Statutes, after written notice has been provided to Project Sponsor and Project Sponsor has failed to correct such non-compliance, subject to the Cure Period.

Section II. PAYMENT SCHEDULE

The LCRA will reimburse the Project Sponsor for all allowable development and construction expenses. Requests for reimbursement must be submitted to the City's Housing Services Division or the LCRA in substantially the same format as **Exhibit "B" or as required by the Limited Partner and other lender(s)**. All requests for reimbursement must comply with the requirements in Article III of this Agreement, specify the line-item for which reimbursement is being requested and must be accompanied by copies of contractor certifications, paid bills, receipts, copies of signed checks, staff timesheets, lease agreements or other means of proving work was completed or paid for by Project Sponsor. All requests for reimbursement must be made no later than forty five (45) days after the funding expenditure deadline defined in Article II of this Agreement. It is anticipated (but not required) that all funds will be requested and disbursed in one draw after receipt of temporary or final certificate of occupancy for the Project.

A copy of the appraisal and title insurance to the property noted in the legal description of this Agreement must be provided to the LCRA.

In no event shall the total amount of consideration paid under the Agreement exceed **One Hundred Sixty Two Thousand DOLLARS and NO/100 (\$162,000.00) without approval from the LCRA and its agents**. This amount shall be expended by March 1, 2021, subject to force majeure, but in any event not later than July 1, 2021. If the Project Sponsor fails to submit proper documentation for the term of this Agreement then the remaining portion will be forfeited by the Project Sponsor and the funds will remain with the LCRA.

Project Sponsor shall maintain all such records, accounts, property records, and personnel records as are deemed reasonably necessary by the LCRA to assure proper accounting of project funds and compliance with the provisions of this Agreement. Project Sponsor shall also maintain financial and program records as follows:

1. Items purchased and paid for through standard Project Sponsor procedure - an invoice and/or copy of the endorsed check issued for payment.
2. Contractual Agreements - Contracts, billings, and copies of warrants.
3. Proper documentation and verification of income and assets of persons served.

Funds made available for expenditure under one project budget category shall not be used to pay costs incurred under any other project category budget except upon prior written consent of the LCRA. Flexibility of line item costs will be allowed provided there is no unreasonable increase in total project cost as set forth in Article I, Scope of Services of this agreement and provided that any request for change is submitted in writing and approved by written consent of the Housing Services Division Director or by Community Redevelopment Agency Director or by his/her designee. Notwithstanding the foregoing, budget changes and charge orders permitted by the first lienholder on the Project shall be permitted by the LCRA.

Section IV. PROJECT SCHEDULE

It is anticipated that the construction work defined for the Project will begin in September or October 2019 and construction will be completed in September or October 2020. The Lease-up period is planned from November 2020 to March 2021. Correspondence from the Project Sponsor may be provided to the LCRA as soon as possible upon request, noting the circumstances that cause any delay to the Project.

Section V. PERFORMANCE MEASURES

The overall goal of this Project is to provide affordable, decent and safe housing for the low income residents of City of Lakeland and Polk County. The outcome objective is to increase the number of affordable housing rental units in Polk County. The creation of 64 residential rental units for households with incomes at or below 60% of area median income and 8 residential units for households with incomes at or below 40% of the area median income will be provided as outlined in Exhibit "A", Section I. of this Agreement.

Section VI. PROJECT REPORTS

Upon request, the Project Sponsor shall provide the reports to the LCRA throughout various stages of the Project as follows:

- Construction- Upon request by the LCRA, the Project Sponsor shall submit to the LCRA within fifteen (15) days from the end of each month, a Monthly Progress Report in substantially the same format as set forth in **Exhibit "E"**, attached hereto and made a part hereof or otherwise consistent with the progress reports required by the senior lender or FHFC.
- Lease-up - Upon request by the LCRA, the Project Sponsor shall provide initial occupancy information for each tenant occupying a unit in substantially the same format as set forth in **Exhibit "F"**, attached hereto and made a part hereof or otherwise consistent with the reports required by the senior lender or FHFC.
- Annually - Upon request by the LCRA, the Project Sponsor shall submit to the LCRA annual reports including but not limited to updated insurance information, financial audit pursuant to Article XVI of this Agreement, and the Occupancy and Rent Reporting Form in substantially the same format as set forth in **Exhibit "F"** or otherwise consistent with the reports required by the senior lender or FHFC.

Annual documents may be submitted to the LCRA upon request. These annual documents include 1) Annual Housing reports submitted to the FHFC 2) Insurance Certificates on the subject property, and 3) annual Audit prepared according to Article XVI of this Agreement.

Section VII. EMERGENCY DUTY/INCIDENT MANAGEMENT

Pursuant to a Federal, State or local government Declared State of Emergency, the Housing Services Division Director or Community Redevelopment Director may order any action necessary to abate a threat or danger that it determines may be an imminent and substantial endangerment to human health, public safety, the general welfare of individuals or the environment because of an actual or impending disaster.

In the event of a disaster or major incident, the Project Sponsor may be required to assist in response and recovery efforts to include sharing of information, partnering with the LCRA for use of the

Project Sponsor's resources and coordination of any actions deemed necessary to augment the LCRA's response and/or recovery efforts. The Project Sponsor agrees to assist in disaster response and recovery efforts to the best of their ability and may be called upon to provide assistance at the Disaster Recovery Center, located at the LCRA or other designated location.

The Project Sponsor further agrees that, under this agreement, suspension of its usual and customary activities as well as the activities defined under the scope of this agreement may be required. It also may be necessary for the Department to reallocate unexpended funds designated to the Project Sponsor for the purposes of emergency situation management operations. Project funds will be reallocated to the Project Sponsor in the amount deobligated under the suspension after the emergency management is declared completed.

This Section shall not be construed to require the Project Sponsor to violate federal or state law relating to low income housing tax credits or to violate any financing documentation.

— End Exhibit "A"

Exhibit "A-1"

Hardscape Plan

EXHIBIT "B"
REQUEST FOR PAYMENT
Midtown Lofts

PROJECT SPONSOR: Midtown Lofts, Ltd.
PROJECT NAME: Midtown Lofts
FOR FY 2019/20: \$162,000.00
REQUEST NO:

FINANCIAL STATUS REPORT:

BUDGET CATEGORIES	TOTAL APPROVED BUDGET	EXPENDITURES			REMAINING BALANCE
		PREVIOUS PAYMENT S:	AMOUNT OF THIS REQUEST:	PAYMENTS MADE TO DATE:	
	<u>\$162,000.00</u>				
TOTAL	<u>\$162,000.00</u>				

I certify that the goods and/or services covered by this request have been provided to the Lakeland Community Redevelopment Agency in accordance with the terms and conditions of the contracts and are documented by the attachment(s).

By: _____

AUTHORIZED SIGNATURE

DATE

Please attach documentation substantiating expenditures.

FOR LCRA USE ONLY

FUND/DEPARTMENT/ACCOUNT NUMBER: _____

APPROVED TOTAL \$ _____

I verify that the goods and services have been received by the LCRA and documentation is attached and subject to final audit.

_____, Director, Lakeland Community Redevelopment Agency Date:

-END EXHIBIT "B"-

EXHIBIT "C"

Legal Description

Midtown Lofts

Folio # _____

Address:

Legal Description:

End Exhibit "C"

EXHIBIT "D"
INSURANCE REQUIREMENTS

Midtown Lofts

The insurance requirements and limits or liability are required, except that the requirements of the senior lender and Limited Partner shall ultimately govern and control:

A. Worker's Compensation (as required by Florida statute) & Employers' Liability Insurance:

Employer's Liability

N/A	Limit each accident	Limit
N/A	Disease	Aggregate Limit
N/A	Disease	each employee

B. Commercial General Liability Insurance:

General Aggregate
Products and Completed Operations

Each Occurrence Fire	\$1,000,000.00
Damage (any one fire)	\$0 N/A
Personal and Advertising Injury	\$1,000,000.00

C. Business Automobile Liability Insurance "ANY AUTO" coverage is required:

Bodily Injury & Property Damage Liability: \$1,000,000.00 - Combined Single Limit Each Accident

D. Builder's Risk is required.

E. Professional Liability: \$N/A.

* General Liability and Auto Liability Insurance must include "City of Lakeland, a municipal corporation of the State of Florida and Lakeland Community Redevelopment Agency" as an Additional Insured.

**All insurance policies must include standard fire and extended coverage in amounts not less than necessary to comply with the coinsurance clause. All policies shall be in such form and shall have attached hereto loss payable clauses in favor of "City of Lakeland, a municipal corporation of the State of Florida and Lakeland Community Redevelopment Agency" and any other parties as shall be satisfactory to the LCRA. The LCRA shall be listed as an additional insured on all such insurance policies.

FLOOD INSURANCE. *(Required whenever the property is located in an area of special flood hazards in which flood insurance is available under the National Flood Insurance Act).*

End Exhibit "D"

EXHIBIT "E"
MONTHLY REPORTING
Midtown Lofts

EXHIBIT "F"
OCCUPANCY AND RENT REPORTING FORM
Midtown Lofts

EXHIBIT "G"
POLK COUNTY EQUAL OPPORTUNITY CLAUSE AND THE OTHER APPLICABLE LAWS,
STATUTES, ORDERS, ORDINANCES, AND
REGULATIONS

During the performance of this contract, PROJECT SPONSOR agrees to comply with the following laws and regulations, to the extent applicable:

- (1) **General.** The PROJECT SPONSOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, handicap or marital status. The PROJECT SPONSOR will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, national origin, age, handicap or marital status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation. The PROJECT SPONSOR agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- (2) **Recruitment.** The PROJECT SPONSOR will in all solicitations or advertisements for employees placed by or on behalf of the PROJECT SPONSOR state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, handicap or marital status.
- (3) **Unions.** The PROJECT SPONSOR will ask that Midtown Lofts' third-party general contractor to send, to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advertising the labor union or worker's representative of the PROJECT SPONSOR'S commitments under this assurance, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) **Compliance Reports.** The PROJECT SPONSOR will maintain records and information assuring compliance with these requirements and upon request shall reasonably submit to the designated LCRA official timely, complete and accurate compliance reports at such times and in such form containing such information as the responsible official or his designee may determine to be reasonably necessary to enable him to ascertain whether the PROJECT SPONSOR has reasonably complied or is making good faith efforts to comply with these requirements. The PROJECT SPONSOR will permit reasonable access to its books, records and accounts by the LCRA for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (5) **Sanctions.** In the event of the PROJECT SPONSOR'S material non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the PROJECT SPONSOR may be declared ineligible for further LCRA contracts by rule, regulation or order of the LCRA, or as otherwise provided by law.

- (6) **Subcontractors.** PROJECT SPONSOR will include the provisions of paragraphs (1) through (5) in every subcontract under this Agreement so that such provisions will be binding upon each subcontractor. PROJECT SPONSOR will take such action with respect to any subcontractor as the LCRA may direct as a means of enforcing such provisions including sanctions for noncompliance.
- (7) **State Requirements.** In the event this Agreement is paid in whole or in part from any State governmental agency or source, the specific terms, regulations and requirements governing the disbursement of these funds shall be specified herein and become a part of this clause.

End of Exhibit "G"

-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

Preparer Information:

After Recording Please Return To:

Nelson Mullins Broad and Cassel
390 N. Orange Ave.
Suite 1400
Orlando, FL 32801
Attn: Randal M. Alligood, Esq.

SECOND MORTGAGE

Midtown Lofts
Polk County, Florida

NOTE TO RECORDER:

THIS INSTRUMENT SECURES A LOAN OF EVEN DATE HEREWITH PAYABLE TO THE ORDER OF THE LAKELAND COMMUNITY REDEVELOPMENT AGENCY, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$162,000.00.

THIS INSTRUMENT AND THE NOTE SECURED HEREBY IN THE ORIGINAL PRINCIPAL SUM OF \$162,000.00 ARISE OUT OF OR ARE GIVEN TO SECURE THE REPAYMENT OF A LOAN ISSUED IN CONNECTION WITH THE FINANCING OF A HOUSING DEVELOPMENT AND ARE EXEMPT FROM DOCUMENTARY STAMPS AND INTANGIBLE TAXES PURSUANT TO SECTION 420.513, FLORIDA STATUTES.

SCHEDULE 1
Midtown Lofts

SECOND MORTGAGE

Prepared by:

Nelson Mullins Broad and Cassel
390 N. Orange Ave., Suite 1400
Orlando, FL 32801
Attn: Randal M. Alligood, Esq.

Return to:

Nelson Mullins Broad and Cassel
390 N. Orange Ave., Suite 1400
Orlando, FL 32801
Attn: Randal M. Alligood, Esq.

Folio No: _____

SECOND MORTGAGE

THIS SECOND MORTGAGE, hereinafter referred to as the "Mortgage" is made on or as of the day of _____, 2019, by and between Midtown Lofts, Ltd., a Florida limited partnership, organized and existing under the laws of the State of Florida, hereinafter referred to as "Borrower," whose principal address is 100 SE 3rd Avenue, Floor 10, Fort Lauderdale, FL 33394, and the Lakeland Community Redevelopment Agency, whose principal address is 228 S. Massachusetts Avenue, Lakeland, Florida 33801, hereinafter referred to as "Lender".

W I T N E S S E T H:

THAT to secure the payment of an indebtedness in the principal amount of ONE HUNDRED SIXTY TWO THOUSAND DOLLARS and no/100 (\$162,000.00), hereinafter referred to as the "Loan", which shall be payable in accordance with that certain Note, bearing even date herewith, inclusive of the signature of the Borrower, which is affixed hereto and made a part hereof, hereinafter referred to as the "Note", and all other indebtedness which Borrower is obligated to pay to Lender pursuant to the provisions of the Note and this Mortgage, Borrower hereby grants, conveys and mortgages to Lender all of its right, title and interest in:

ALL THAT certain lot, piece or parcel of land situated in Polk County and State of Florida, bounded and described in **Exhibit "A."**

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions hereto, shall be deemed to be and remain a part of the property covered by this Mortgage and all of the foregoing, together with said property are herein referred to as the "Property"; and

TOGETHER with any and all awards now or hereafter made for the taking of the property

mortgaged hereby, or any part thereof (including any easement) by the exercise of the power of eminent domain, including any award for change of grade of any street or other roadway, which awards are hereby assigned to Lender and are deemed a part of the property mortgaged hereby; and Lender is hereby authorized to collect and receive the same toward the payment of indebtedness secured by this Mortgage, notwithstanding the fact that the amount thereon may not then be due and payable; and

TOGETHER with all rights, title and interest of Borrower in and to the land lying in the streets, roads, or alleys adjoining to the above-described land. All the above described land, buildings, other structures, fixtures, articles of personal property, awards and other rights and interests being hereinafter collectively referred to as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property and every part thereof unto Lender, its successors and assigns forever for the purposes and uses herein set forth.

AND Borrower further covenants and agrees with Lender, as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST.

Borrower shall promptly pay the principal of the indebtedness evidenced by the Note, and all other charges and indebtedness provided therein and in this Mortgage, at the times and in the manner provided in the Note and in the Mortgage. The loan shall be nonamortizing and shall not bear interest. The entire amount of principal shall be due and payable three months after the scheduled maturity date of the permanent financing for the Mortgaged Property, including a potential six month extension thereof, but in no event later than 213 months after the date hereof [insert actual date at closing].

2. FUNDS FOR TAXES, ASSESSMENTS AND LIENS.

Borrower shall pay before the same become delinquent, as hereinafter provided, all taxes, assessments, and other governmental charges, fines and impositions, of every kind and nature whatsoever, now or hereafter imposed on the Mortgaged Property, or any part thereof, and will pay when due every amount of indebtedness secured by any lien to which the lien of this Mortgage is expressly subject.

3. COMPLETION OF IMPROVEMENTS.

This Mortgage and the attached Note were executed and delivered to secure in full moneys advanced to Borrower for the purpose of developing and constructing the Mortgaged Property including seventy-two (72) multi-family residential apartments for low income and very low income households, hereinafter collectively referred to as the "Improvements." Borrower shall make or cause to be made all of the Improvements. If the construction or installation of the Improvements shall not be carried out with reasonable diligence, or shall be discontinued at any time for a period of thirty (30) consecutive days for any reason other than strikes, lock-outs, acts of God, fires, floods or other similar catastrophes, such as riots, war or insurrection, or other events beyond the control of Borrower, Lender, after due notice to Borrower, is hereby authorized (A) to enter upon the Mortgaged Property and employ any watchman, protect the Improvements from depredation or injury and to preserve and protect such property, (B) to carry out any or all the existing contracts between Borrower and other parties for the purpose of making any of the Improvements, (C) to make and enter into additional contracts and incur obligations for the purposes of completing any portion of the Improvements pursuant to the obligations of Borrower hereunder either in the name of Lender or Borrower, and (D) to pay and discharge all debts, obligations and liabilities incurred by reason of any action taken by Lender as provided in this Paragraph, all of which amounts so paid by Lender, with interest thereon from the date of each such payment at the rate of 12% per annum, shall be payable by Borrower to Lender on demand and shall be secured by this Mortgage.

4. BUILDING REMOVAL, ADDITIONS AND COMPLIANCE WITH REQUIREMENTS.

No building, structure, improvement, fixture or personal property mortgaged hereby shall

be removed or demolished without the prior written consent of Lender except for obsolete or worn property replaced by adequate substitutes equal or greater in value than the replaced items when new and inventory and goods in the ordinary course of business. Borrower will not make, permit, or suffer any alteration of or addition to any building, structure or improvement which may hereafter be erected or installed upon the Mortgaged Property, or any part thereof, except the Improvements required to be made pursuant to Paragraph 3 hereof, nor will Borrower use, or permit or suffer the use of, any of the Mortgaged Property for any purpose other than the purpose or purposes for which the same is now intended to be used, without the prior written consent of Lender. Borrower will maintain the Mortgaged Property in good condition and state of repair and will not suffer or permit any waste to any part thereof, and will promptly comply with all the requirements of Federal, State and local governments or of any departments, divisions or bureaus thereof, pertaining to such property or any part thereof.

5. CHARGES AND LIENS.

Borrower will not voluntarily create, or permit or suffer to be created or to exist, on or against the Mortgaged Property or any part thereof, any lien superior to the lien of this Mortgage, exclusive of the lien or liens to which this Mortgage is expressly subject (as set forth in the next sentence), and will keep and maintain the same free from the claims of all parties supplying labor and/or materials which will enter into the construction or installation of the Improvements. The Lender hereby acknowledges that the following liens and encumbrances will be superior to the lien of this Mortgage: (1) construction loan mortgage in favor of Bank of America, N.A; and (2) permanent loan mortgage in favor of Neighborhood Lender Partners of Florida, Inc. (altogether including any refinancing or substitution thereof, (the "Superior Mortgages"). This Mortgage shall be subordinate in all respects to the Superior Mortgages. The Superior Mortgages may be placed on the Property without any further consent or action of the Lender.

6. NOTICE OF FIRE, CASUALTY OR TRANSFER.

Borrower will give immediate notice by registered or certified mail to Lender of any fire, damage or other casualty affecting the Mortgaged Property, or of any conveyance, transfer or change in ownership of such property, or any part thereof.

7. COVERAGE OF INSURANCE POLICIES.

a. Borrower will keep all buildings, other structures and improvements insured against loss by fire, flood (when applicable) and other hazards, casualties and contingencies in such amounts and manner and for such periods as may be reasonably required by the Lender; all such insurance policies must include standard fire and extended coverage in amounts not less than necessary to comply with any applicable coinsurance clause. When required, flood insurance shall be in an amount at least equal to the outstanding principal balance of all mortgage(s), or the maximum amount of insurance available with respect to the project under the National Flood Insurance Act, whichever is lesser. All policies shall be in such form and shall have attached thereto loss payable clauses in favor of Lender and any other parties as shall be reasonably satisfactory to Lender. All such policies and attachments thereto shall be delivered promptly to Lender, unless they are required to be delivered to the holder of a lien or a mortgage or similar instrument to which this Mortgage is expressly subject, in which latter event certificates thereof, satisfactory to Lender, shall be delivered promptly to Lender. Borrower will pay promptly when due, as hereinafter provided, any and all premiums on such insurance. The Lender shall be listed as an additional insured on all such insurance policies.

b. In the event of loss or damage to the Mortgaged Property, Borrower will give to Lender immediate notice thereof by mail, at the address herein above stated and Lender may make and file proof of loss if not made otherwise promptly by or on behalf of Borrower. Unless Borrower and Lender otherwise agree in writing, insurance proceeds shall be applied to restoration or repair, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage with the excess, if any, paid

to Borrower. If the Property is abandoned by Borrower, for more than thirty (30) days unless due to events described in Section 3, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

c. At least thirty (30) days prior to the expiration of each policy and upon request from LCRA, the Borrower will furnish the Lender with evidence satisfactory to the Lender of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. All policies, including policies for any amounts carried in excess of the required minimum and policies not specifically required by the Lender, will be in a form reasonably satisfactory to the Lender, and will be maintained in full force and effect. All policies will contain a provision that the policies will not be cancelled or materially amended (including any reduction in the scope or limits of coverage), without at least ten (10) days prior written notice to the Lender. If all or any part of the insurance will expire, or be withdrawn, or become void or unsafe, by reason of the Borrower's breach of any condition, or if for any reason whatsoever the insurance will be unsatisfactory to the Lender, the Borrower will place new insurance on the premises, satisfactory to the Lender.

d. The insurance requirements of the Superior Mortgages shall be deemed to control over the terms hereof.

8. TAXES.

In order to protect more fully the security of this Mortgage, Borrower shall promptly submit to Lender upon request, or Lender's designated agent, the Polk County Tax Invoice for the Mortgaged Property. Such invoice shall show either that no taxes are due or be accompanied by a receipt showing taxes have been paid in full.

9. LOCAL ORDINANCES.

The Improvements and all plans and specifications shall comply with all applicable local ordinances, regulations and rules made or promulgated with lawful authority.

10. PROTECTION OF LENDER'S SECURITY.

If Borrower materially fails to perform the covenants and agreements contained in this Mortgage, excluding any lien to which this Mortgage is expressly subject, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payments, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this Paragraph shall require Lender to incur any expense or take any action hereunder.

11. LENDER INSPECTIONS.

Lender, or any of its Agents or Representatives, shall have the right to reasonably inspect the Mortgaged Property upon reasonable notice. Should the Mortgaged Property, or any part thereof, require repair, care or attention, then, after written notice as provided herein (Paragraph 16) to Borrower, and Borrower's failure to so perform, Lender may enter or cause entry to be made upon the Mortgaged Property and repair, protect and maintain the property as Lender may deem necessary. Any and all money

that Lender must pay to accomplish the proper maintenance on the mortgaged property shall become due and payable under the provision of Paragraph 10.

12. EVENT OF DEFAULT.

An Event of Default will be the occurrence of any one of the following events, and upon that occurrence Lender may, at Lender's option, subject to Paragraph 13 below, declare all sums secured by this Mortgage to be immediately due and payable.

a. Failure to pay the amount of any installment of principal and interest, or other charges payable on the Note, which shall have become due;

b. Nonperformance by Borrower of any covenant, agreement, term, or condition of this Mortgage, or of the Note, or of any other agreement made by Borrower with Lender in connection with such indebtedness, after Borrower has been given due notice (Paragraph 13) by Lender of such nonperformance and thirty (30) days to cure;

c. Failure of Borrower to perform any covenant, agreement, term or condition in any instrument creating a lien upon the Mortgaged Property, or any part thereof, which shall have priority over the lien of this Mortgage which continues beyond any applicable grace or cure period and for which a default has been declared;

d. Lender's discovery of Borrower's failure in any application of Borrower to Lender to disclose any fact deemed by Lender to be material, or the making herein, or in any of the agreements entered into by Borrower with Lender (including, but not limited to, the Note and this Mortgage) of any material misrepresentation by, on behalf of, or for the benefit of Borrower;

e. Failure by the Borrower to submit promptly to the Lender or Lender's designated agent proof of payment of all insurance and taxes, as required herein; or

f. IF BORROWER DOES NOT REMAIN OWNER, OR IF ALL OR ANY PART OF THE PROPERTY OR AN INTEREST THEREIN IS RENTED, LEASED, SOLD, MORTGAGED, LIENED, OR OTHERWISE TRANSFERRED BY BORROWER, EXCEPT IN THE ORDINARY COURSE OF BUSINESS AS A MIXED INCOME LOW INCOME HOUSING TAX CREDIT RENTAL APARTMENT COMPLEX, WITHOUT LENDER'S PRIOR WRITTEN CONSENT, OR IF NEITHER MITCH ROSENSTEIN NOR OSCAR SOL IS A DIRECT OR INDIRECT OWNER AND A MANAGER OF THE GENERAL PARTNER OF BORROWER, WITHOUT LENDER'S PRIOR WRITTEN CONSENT, WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD OR DELAYED, THEN IN ANY OF THE FOREGOING EVENTS, LENDER MAY AT LENDER'S OPTION DECLARE ALL THE SUMS SECURED BY THIS MORTGAGE TO BE IMMEDIATELY DUE AND PAYABLE.

13. OPTION OF MORTGAGEE UPON EVENT OF DEFAULT.

Upon the occurrence of An Event of Default, Lender, prior to acceleration, shall mail notice to Borrower as is provided in Paragraph 16 hereof, specifying:

a. The breach;

b. The action required to cure such breach;

c. A date not less than ten (10) days from the date the notice is mailed to Borrower by which such breach must be cured if the default is a monetary default, and a date not less than thirty (30) days from the date the notice is mailed to Borrower by which such breach must be cured if the default is a

non- monetary default; and

d. That failure to cure such material breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceedings, and sale of the property. The notice shall further inform Borrower of the right to assert in the foreclosure proceedings the nonexistence of a default, or any other defense of Borrower to acceleration and foreclosure.

If the breach is not cured on or before the date specified in the notice, Lender, at Lender's reasonable option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceedings. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorney's fees and costs of documentary evidence, abstract, title reports and court costs.

14. APPOINTMENT OF RECEIVER.

Lender in any action to foreclose this Mortgage may be entitled to have a receiver appointed by a Court of Law as a matter of right and without regard to the value of the Mortgaged Property or the solvency of Borrower or other parties liable for the payment of the Note and other indebtedness secured by this Mortgage. Said receiver shall enter upon, take possession of and manage the Property, and will collect rents of the Property, including those past due. All rents collected by the receiver shall be applied first to payments of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds, and reasonable attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

15. FORBEARANCE BY LENDER NOT A WAIVER.

Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of indebtedness secured by this Mortgage.

16. NOTICE.

Except for any notice required under applicable law to be given in another manner: (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Borrower's address below or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address below, or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

LENDER: City of Lakeland, Community Redevelopment Agency
228 S. Massachusetts Avenue, Lakeland, Florida 33801
Attn. CRA Manager

With a copy to: Office of the City Attorney
228 S. Massachusetts Avenue, Lakeland, Florida 33801
Attn. City Attorney

BORROWER: Midtown Lofts, Ltd.
100 SE 3rd Avenue, Floor 10

Fort Lauderdale, FL 33394

With a copy to: Nelson Mullins Broad and Cassel
390 N. Orange Avenue, Suite 1400
Orlando, FL 32801
Attn: Randal M. Alligood, Esq.

With a copy to: [Limited Partner]

17. ONE PARCEL.

In case of a foreclosure sale of the Mortgaged Property, it may be sold as one parcel.

18. BORROWER'S COPY.

Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation thereof.

19. LAWFULLY SEIZED.

Borrower is lawfully seized of the Mortgaged Property and has good right, full power, and lawful authority to sell and convey the same in the manner above provided, and will warrant and defend the same to Lender forever against the lawful claims and demands of any and all parties whatsoever other than the Superior Mortgages.

20. BORROWER NOT RELEASED.

Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release in any manner the liability of the original Borrower and Borrower's successor in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

21. CAPTIONS.

The captions of this Mortgage are for convenience only and shall not be construed as defining or limiting the scope or intent of the provisions hereof.

22. SUCCESSORS AND ASSIGNS.

This Mortgage and all covenants, agreements, terms, and conditions herein contained shall be binding upon and inure to the benefit of Borrower, and, to the extent permitted by law, every subsequent owner of the Mortgaged Property and shall be binding upon and inure to the benefit of Lender and its successors and assigns. The word "Lender" shall include any person, corporation, or other party who may from time to time be the holder of this Mortgage. Whenever used herein, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall be applicable to all genders wherever the sense requires.

23. VENUE

Each party covenants and agrees that any and all legal actions arising out of or connected with this Mortgage shall be instituted in the Circuit Court of the Tenth Judicial Circuit, in and for Polk County, Florida, or in the United States District Court for the Middle District of Florida, as the exclusive forums and venues for any such action, subject to any right of either party to removal from state court to federal court, which is hereby reserved, and each party further covenants and agrees that it will not institute any action in any other forum or venue and hereby consents to immediate dismissal or transfer of any such action instituted in any other forum or venue. This Mortgage is entered into within, and with reference to

the internal laws of, the State of Florida, and shall be governed, construed and applied in accordance with the internal laws (excluding conflicts of law) of the State of Florida.

24. SURVIVABILITY AND SEVERABILITY

a. Any term, condition, covenant or obligation which requires performance by either party subsequent to termination of this Mortgage shall remain enforceable against such party subsequent to such termination.

b. In the event any section, sentence, clause or provision of this Mortgage is held to be invalid, illegal or unenforceable by a court having jurisdiction over the matter, the remainder of this Mortgage shall not be affected by such determination and shall remain in full force and effect.

25. RELEASE

Upon payment of all sums secured by this Mortgage and the Note, the Lender shall release this Mortgage and the Note. The Borrower shall pay all recordation costs.

26. NONRECOURSE

The Borrower and its successors and assigns shall only be liable upon the indebtedness evidenced by the Funding Agreement, and sums or amounts to accrue or to become payable thereunder or under this Mortgage or either of them, to the extent of the nonrecourse security granted under the Funding Agreement, Mortgage or other Indenture. If a default occurs, any judicial proceedings or enforcement of the remedies under the Funding Agreement and this Mortgage against the Borrower and its successors and assigns shall be limited to the preservation, enforcement and foreclosure of the liens, estates, assignments, titles, rights and security interests now or at any time hereafter acquired in such security and no judgment, attachment, execution or other writ of process shall be sought, issued or levied upon the assets, property or funds of the Borrower or its successors and assigns other than the properties, rights, estates and interests of the Borrower as are identified as security in the Funding Agreement, this Mortgage or in any other Indenture. In the event of a foreclosure or other disposition as provided for in the Funding Agreement, Mortgage or other Indenture of such liens, estates, assignments, titles, rights and security interests, whether by judicial proceedings or the exercise of the power of sale, no judgment for the deficiency of such indebtedness, sums and amounts shall be sought or obtained against the Borrower or its partners and/or their successors and assigns.

Notwithstanding the foregoing provisions of this Paragraph, nothing herein contained shall limit or restrict the ability of the Lender to seek or obtain a judgment against the Borrower or its successors and assigns for:

1. Indemnification under Article XXI of the Funding Agreement and under equivalent provisions of the other loan documents; provided, however the foregoing is not intended to make the Borrower or its successors and assigns personally liable for the payment of principal and interest due under the loan;

2. Liability for intentional waste, destruction or damage to the Property or any part thereof;

3. All material low income housing affordability obligations under the Funding Agreement; provided, however the foregoing is not intended to make the Borrower or its successors and assigns personally liable for the payment of principal and interest due under the loan;

4. Application of proceeds paid under any insurance policies by reason of damage, loss or destruction to any portion of the Property to the full extent that such proceeds are payable or should be payable to the Lender under the terms of the Mortgage, subject to any subordination to the Superior

Mortgages;

5. Application of proceeds or awards resulting from the condemnation or other taking in lieu of condemnation, relating to any portion of the Property other than to the reasonable costs of the restoration of the Property or to the obligations of the Borrower under the loan documents, subject to any subordination to the Superior Mortgages;

6. Failure by the Borrower to cause to be maintained upon the Property the insurance coverage required under this Mortgage;

7. Costs to restore the Property as a result of a casualty if the insurance proceeds are applied to restoration, to the extent the costs of such restoration are not reimbursed by insurance other than due to the fault of the insurance company; and

8. Any liability, damage, cost or expense incurred by the Lender as a result of any fraud, misrepresentation or bad faith by the Borrower.

27. MERGER AND MODIFICATIONS

This Mortgage will not be modified or amended except by agreement in writing signed by both parties. This Mortgage embodies the entire agreement and understanding between the parties hereto and there are no other agreements and/or understandings, oral or written, with respect to the subject matter hereof, that are not merged herein and superseded hereby

IN WITNESS WHEREOF, this Mortgage has been duly signed and sealed by the Borrower on or as of the day and year first above written.

THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

MIDTOWN LOFTS, LTD., a Florida limited partnership

Witness Signature

By: Midtown Lofts GP, LLC, a Florida limited liability company, its general partner

Name printed or typed

By: Green Mills Holdings, LLC, a Florida limited liability company, its manager

Witness Signature

By: _____
Mitchell Rosenstein, Manager

Name printed or typed

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by MITCHELL ROSENSTEIN, as manager of Green Mills Holdings, LLC, a Florida limited liability company, as manager of Midtown Lofts GP, LLC, a Florida limited liability company, as general partner of Midtown Lofts, Ltd., a Florida limited partnership, who is personally known to me or who has/have produced _____ as identification.

NOTARY SEAL

Name:
Notary Public
Serial Number:
My Commission Expires:

SECOND MORTGAGE
Exhibit "A"

Folio #: _____

Address:

Legal Description:

End of Exhibit "A"

SCHEDULE 2

PROMISSORY NOTE

Midtown Lofts

Folio Number and Property Address: See Exhibit "A":

Date: _____

Amount: \$162,000.00

FOR VALUE RECEIVED, the undersigned, hereinafter referred to as "Borrower" promises to pay to the order of the Lakeland Community Redevelopment Agency, hereinafter referred to as "Lender", or its successors, the sum of ONE HUNDRED SIXTY TWO THOUSAND DOLLARS AND NO/100 (\$ 162,000.00). This Promissory Note (the "Note") is made pursuant to that certain Funding Agreement dated _____, by and between Borrower and Lender (the "Funding Agreement").

LOAN PAYMENT: Borrower shall promptly pay the principal of the indebtedness evidenced by this Note, and all other charges and indebtedness provided herein and in the Second Mortgage securing the obligations of Borrower hereunder dated of even date herewith (the "Mortgage"), at the times and in the manner provided in this Note and in the Mortgage. The interest rate on the loan shall be zero percent. The principal shall be due three months after the scheduled maturity date of the permanent financing for the Mortgaged Property, including a potential six month extension thereof, but in no event later than 213 months after the date hereof [\[insert actual date at closing\]](#).

DEFAULT & ACCELERATION: Lender shall have the optional right to declare the amount of the total unpaid balance hereof to be due and forthwith payable in advance of the maturity date of any sum due or installment, as fixed herein, after notice and cure rights have been given in accordance with the terms and conditions in the Mortgage securing this Note, upon the occurrence of any material failure to perform in accordance with any of the terms and conditions in the Mortgage securing this Note.

ESTOPPEL/WAIVER: Failure of Lender to declare a default shall not constitute a waiver of such default. Upon default, this Note will accrue interest at the highest rate permissible under applicable law, or, if this Note be reduced to judgment, such judgment should bear interest at the highest rate permissible under applicable law.

PREPAYMENT: Borrower reserves the right to prepay at any time all or part of the principal amount of this Note without the payment of penalties or premiums.

COLLECTION COSTS: If suit is instituted by Lender to recover this Note, Borrower agree(s) to pay all reasonable out of pocket costs of such collection including reasonable attorney's fees and court costs.

PARTIES: The words "Borrower" and "Lender" in this Note shall be construed to include the respective heirs, personal representatives, successors, and assigns of the Borrower and the Lender. In the event Lender is dissolved or otherwise is not in existence, the City of Lakeland shall automatically take over the rights of the Lender hereunder.

CONSTRUCTION AND VENUE: Each party covenants and agrees that any and all legal actions arising out of or connected with this Note shall be instituted in the Circuit Court of the Tenth Judicial Circuit, in and for Polk County, Florida, or in the United States District Court for the Middle District of

Florida, as the exclusive forums and venues for any such action, subject to any right of either party to removal from state court to federal court, which is hereby reserved, and each party further covenants and agrees that it will not institute any action in any other forum or venue and hereby consents to immediate dismissal or transfer of any such action instituted in any other forum or venue. This Note is entered into within, and with reference to the internal laws of, the State of Florida, and shall be governed, construed and applied in accordance with the internal laws (excluding conflicts of law) of the State of Florida.

NONRECOURSE: The nonrecourse provisions of the Mortgage are incorporated herein by this reference.

IN WITNESS WHEREOF, this Note has been duly signed and sealed by the Borrower on or as of the day and year first above written.

Witness Signature

Name printed or typed

Witness Signature

Name printed or typed

MIDTOWN LOFTS, LTD., a Florida limited partnership

By: Midtown Lofts GP, LLC, a Florida limited liability company, its general partner

By: Green Mills Holdings, LLC, a Florida limited liability company, its manager

By: _____
Mitchell Rosenstein, Manager

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this ____day of _____, 2019, by MITCHELL ROSENSTEIN, as Manager of Green Mills Holdings, LLC, a Florida limited liability company, as manager of Midtown Lofts GP, LLC, a Florida limited liability company, as general partner of Midtown Lofts, Ltd., a Florida limited partnership, who is personally known to me or who has/have produced _____ as identification.

NOTARY SEAL

Name:
Notary Public
Serial Number:
My Commission Expires:

PROMISSORY NOTE
Exhibit "A"

Folio #: _____

Address:

Legal Description:

End of Exhibit "A"

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (“Agreement”) is made by and between the Lakeland Community Redevelopment Agency (“Seller”), and Green Mills Holdings, LLC, and/or its assigns (“Buyer”).

WITNESSETH:

WHEREAS, Seller owns certain real property comprised of approximately 1.89 acres located in Polk County, Florida, identified as parcel ID’s 24-28-18-200000-050011, 24-28-18-200000-050050, 24-28-18-200000-050080, 24-28-18-200000-050070 and 24-28-18-200000-050110 by the Polk County Property Appraiser, as more particularly described in Exhibit “A” attached hereto and made a part hereof (“Property”);

WHEREAS, Buyer wishes to purchase the Property and any and all improvements located thereon from Seller, and Seller wishes to sell the Property and any and all improvements located thereon to Buyer, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, Seller and Buyer agree as follows:

1. **Purchase and Sale.** Seller agrees to sell and convey and Buyer agrees to purchase the Property, which shall include all of the right, title and interest of Seller in and to (i) all easements, rights of way, privileges, licenses, appurtenances and any other rights, privileges and benefits belonging to the owner of, running with title to, or in any way related to, the Property; (ii) all land use or other consents, authorizations, variances, waivers, licenses, permits, approvals, development orders, or any other entitlements issued or granted by or from any governmental authority with respect to the Property; (iii) all percolation, soil, topographical, traffic, engineering and environmental reports or studies in the possession or control of the Seller, and all riparian, littoral rights, title to submerged lands and other water rights related to or benefiting the Property; (iv) all utility service laterals, hydrants, connections, hook-ups and valves located on and servicing or available to service the Property; and (v) any and all other agreements, contracts, covenants, variances and rights, benefits and privileges related to or benefiting the Property.

2. **Purchase Price.** The purchase price for the Property (“Purchase Price”), which Buyer agrees to pay and Seller agrees to accept, is THREE HUNDRED TWENTY FOUR THOUSAND and No/100 Dollars (\$324,000.00), subject to the credits, prorations, and adjustments herein set forth, at Closing. The Purchase Price shall be payable as follows:

a. **First Deposit.** On or before the fifth (5th) business day following the Effective Date of this Agreement, Buyer shall deliver to Broad and Cassel, as escrow agent (“Escrow Agent”), the sum of FIVE THOUSAND and No/100 Dollars (\$5,000.00) by check or wire transfer, the proceeds of which shall be held in trust by Escrow Agent as an earnest money deposit (“First Deposit”) in an interest bearing account, and disbursed only in accordance with the terms of this Agreement. The First Deposit shall become non-refundable three (3) business days after expiration of the Inspection Period, except in the event that: (i) the Seller fails, refuses or is unable to perform all of its obligations under this Agreement; (ii) one or more of the Closing

Conditions in favor of Buyer set forth herein has not been satisfied, with the exception of the condition that Buyer shall have received an award of LIHTC funds from FHFC sufficient to construct the Intended Improvements, the failure of which shall not entitle Buyer to a refund of the First Deposit; or (iii) as otherwise specifically provided in this Agreement.

b. Second Deposit. If Buyer has elected to proceed with this transaction following the Inspection Period, then within five (5) business days after the expiration of the Inspection Period, Buyer shall deliver to Escrow Agent, the sum of TEN THOUSAND and No/100 Dollars (\$10,000.00) by check or wire transfer, the proceeds of which shall be held in trust by Escrow Agent as an earnest money deposit ("Second Deposit") in the same interest bearing account as the First Deposit. The First Deposit and the Second Deposit, to the extent delivered to the Escrow Agent, are sometimes hereinafter referred to as the "Deposit"). The Second Deposit shall be non-refundable to Buyer, except in the event that (i) the Seller fails, refuses or is unable to perform all of its obligations under this Agreement; (ii) one or more of the Closing Conditions in favor of the Buyer set forth herein has not been satisfied, with the exception of the condition that Buyer shall have received an award of LIHTC funds from FHFC sufficient to construct the Intended Improvements, the failure of which shall not entitle Buyer to a refund of the Second Deposit; or (iii) as otherwise specifically provided in this Agreement.

c. Balance. The Deposit(s) shall be applied to the Purchase Price at Closing, and Buyer shall pay to Seller the remainder of the THREE HUNDRED TWENTY FOUR THOUSAND and No/100 Dollars (\$324,000.00) subject to the credits, prorations, and adjustments herein set forth, by a cashier's check or by wire transfer of United States Dollars.

d. Escrow Deposit. The Deposit shall be invested by Escrow Agent in an interest bearing account, but only after Buyer has executed all necessary governmental forms, including a W-9 and delivered such form to Escrow Agent. Any and all interest earned on the Deposit shall accrue to the benefit of Buyer and shall be reported to Buyer's federal tax identification number. Escrow Agent shall have no responsibility in case of failure or suspension of business of the institution holding the Deposit. Interest earned, if any, shall be credited to the Buyer upon Closing, or, in the event of Buyer's default, paid to Seller.

3. Demolition/Stormwater. Buyer shall pay for all demolition and abatement as necessary after the Closing Date. Buyer and Seller shall work together to understand scope of demolition and abatement options.

4. Title Insurance/Survey.

a. Within ten (10) business days following the Effective Date, Seller shall deliver to Buyer and Escrow Agent a copy of Seller's title insurance policy insuring Seller's fee simple title to the Property, if any, and a copy of Seller's existing boundary survey of the Property, if any. Within twenty (20) days after the Effective Date, Buyer, at its sole cost and expense, shall obtain an owner's title insurance commitment ("Title Commitment") from a nationally recognized title insurance company acceptable to Buyer. Marketable title shall be determined according to the Title Standards adopted by authority of The Florida Bar and in accordance with Florida law. Following the Effective Date, Buyer may order an ALTA/ACSM survey or an update of Seller's existing survey, prepared by a Florida licensed surveyor and depicting the Property and all of the

plottable exceptions to the Title Commitment ("Survey"). Buyer shall have until the expiration of the Inspection Period within which to examine the condition of Seller's title to the Property. If the Title Commitment or the Survey reflects that title to the Property is subject to any exceptions or other survey matters unacceptable to Buyer, Buyer shall, prior to the expiration of the Inspection Period, notify Seller in writing of the specific title defects ("Title Objections"). Any exceptions listed in the Title Commitment to which Buyer has not timely objected shall be deemed to be "Permitted Exceptions." Seller, at Seller's sole cost and expense, shall use commercially reasonable efforts to correct or remove such Title Objections within thirty (30) days after receipt of notice from Buyer. If Seller is not successful in correcting or removing the Title Objection within such thirty (30) day period, Buyer shall have the option of either accepting the title in its existing condition, or of terminating this Agreement by sending written notice of termination to Seller and Escrow Agent. In the event that Buyer elects to terminate this Agreement, Escrow Agent shall return the Deposit to Buyer, and, thereafter, neither Buyer nor Seller shall have any further liabilities or obligations hereunder except with respect to those obligations which expressly survive termination.

b. Seller covenants and agrees that after the Effective Date it shall not enter into or record any document or instrument, or enter into any lease or other agreement, affecting or burdening the Property, unless Buyer has consented in writing to the execution or recordation of such document, instrument, lease or agreement. If any updated endorsement to the Title Commitment or any update of the Survey obtained prior to Closing reveals any exception or survey defect not reflected on the Title Commitment or the Survey that was not consented to by Buyer, Seller, at Seller's sole cost and expense, shall have such exception deleted from the Title Commitment, or such survey defect removed or cured prior to Closing. If Seller is not successful in removing the same by the Closing Date, Buyer shall have the option of either accepting the title in its existing condition, or of terminating this Agreement by sending written notice of termination to Seller and Escrow Agent. In the event that Buyer elects to terminate this Agreement, Escrow Agent shall return the Deposit to Buyer. Notwithstanding anything else to the contrary in this Agreement, in the event Seller fails to remove an exception revealed in the Title Commitment, or any update thereof (whether or not objected to by Buyer), in the form of: (1) a mortgage or other security interest entered into by Seller; (2) a lien or encumbrance of any kind or nature voluntarily created by Seller at any time on or after the date of this Agreement; or (3) a mechanic's or materialman's lien or a judgment docketed against the Property, in any case resulting from the non-payment by Seller of any sums alleged to be due and owing by Seller to a contractor or materialman or otherwise voluntarily caused or created by Seller, then in addition to the return of the Deposit, Buyer shall be entitled to recover from Seller all third party costs incurred by Buyer, including reasonable attorneys' fees and costs, in connection with this Agreement and the Property.

5. **Inspection Period.** For the period beginning with the Effective Date and continuing until 11:59 PM Eastern Time the date that is five (5) business days after the Buyer receives an invitation to credit underwriting from FHFC to finance the development of the Property, or December 31st, 2018 ("Inspection Period"), whichever comes first, Seller hereby grants to Buyer the right to make or obtain any and all investigations, tests, studies, evaluations, assessments and reports Buyer deems necessary or desirable with respect to the Property.

a. During the Inspection Period, Seller hereby grants to Buyer and its agents, employees, contractors and representatives, a right of entry upon every portion of the Property, and a right to examine all records, documents, data or information of any kind or nature relating to or concerning the Property in the possession or under the control of Seller or other matters pertaining to the Property (and Seller hereby agrees to make any and all records, documents, data or information of any kind or nature relating to or concerning the Property in the possession or under the control of Seller available to Buyer) from time to time at all reasonable times for the purpose of making surveys, engineering studies, drainage studies, appraisals, zoning and land use studies, impact studies, surface and subsurface explorations, tests, excavations, borings and such other investigations, inspections, assessments or reports as Buyer, in its sole and absolute discretion, may elect to make. Seller shall deliver to Buyer, within three (3) business days after the Effective Date, copies of any and all surveys (in CADD format, if available), site plans or layouts, engineering, environmental, soil, wetlands determinations, zoning, land use, appraisal and feasibility studies, reports and assessments, concurrency evaluations, any plans and specifications for the Property approved by the local building department having jurisdiction over the Property, which Seller has in its possession or control (collectively, “Plans and Specs”), and any correspondence concerning any such topics that Seller has in its possession or control, and all other governmental orders, approvals, exemptions, waivers, permits, licenses, special exceptions or variances relating to the Property or any proposed use thereof which are in Seller’s possession or control. Seller shall also deliver to Buyer, within three (3) business days after the Effective Date, legible copies of all leases, service contracts, operating agreements, management agreements and warranties relating to or concerning the Property.

b. Buyer assumes liability for all acts of its agents who enter onto the Property and agrees to indemnify and hold harmless the Seller from any loss, damage, cost or expense incurred by Seller as a result of such acts of Buyer and its agents that cause injury to persons or damage to the Property.

c. Notwithstanding any provision in this Agreement to the contrary, at any time on or before the end of the Inspection Period, Buyer may, without liability to Seller and for any reason or no reason whatsoever, terminate this Agreement by written notice to Seller and Escrow Agent, following which Escrow Agent shall promptly return the First Deposit to Buyer; upon such termination, both parties shall be released from all further obligations or liability under this Agreement except for those obligations which expressly survive termination.

d. If Buyer has not terminated this Agreement, as provided herein, the right of entry and investigation granted herein shall continue unabated through Closing.

e. During the Inspection Period Buyer shall make diligent efforts to obtain financing for the intended improvements. These efforts will include applying for Low Income Housing Tax Credits from the Florida Housing Finance Corporation within each applicable Request for Application cycle for which the Property is competitive. Buyer will spend considerable effort and incur expenses related to applying for funding and will provide Seller with copies of all applicable funding applications. If the Buyer is not successful in attaining the Low Income Housing Tax Credits from the Florida Housing Finance Corporation in the 2018 application cycle, a 2nd Inspection Period will commence at the Buyer’s option. The 2nd Inspection Period will expire on December 31st, 2019.

6. Government and FHFC Approvals.

a. Buyer's obligation to purchase the Property from Seller is contingent upon Seller obtaining the final issuance of: (i) all zoning and other governmental approvals from applicable governmental authorities having jurisdiction over the Property, to permit the construction, completion and operation of a multifamily residential project containing a minimum of 70 residential units together with related amenities and accessory uses (the "Intended Improvements"); (ii) final site plan approval, for which all appeal periods have expired with no appeal having been filed, for the Intended Improvements from the applicable governmental and regulatory authority(ies); (iii) concurrency and utility approvals; (iv) storm water drainage permit issued by the relevant drainage district; (v) building permits issued by the relevant municipality or county; and (v) any other governmental and regulatory approvals and/or permits required in connection with the construction of the Intended Improvements (collectively the "Government Approvals"). Seller agrees to apply for, or join in any and all applications, permits, consents, zoning, land use, concurrency, platting and other permitting, etc., that may be required to be filed in connection with the Government Approvals. Buyer shall pay all reasonable and documented costs associated with obtaining the Government Approvals.

b. Final issuance of the Government Approvals shall be deemed to occur only when all of the Government Approvals have been issued or granted by the applicable governmental and quasi-governmental boards and agencies, all appeal periods have expired and any appeals filed have been finally and favorably determined. If this condition precedent is not satisfied on or before August 15th, 2020 (the "Approvals Deadline") then Buyer shall be entitled (but Buyer shall not be obligated) to terminate this Agreement and upon such termination by Buyer, the Deposit shall be refunded to Buyer and the parties shall be relieved of all further liability under this Agreement, except for those obligations which expressly survive termination of this Agreement.

c. If either (i) the Government Approvals are not sufficient to allow for the construction of the Intended Improvements or contain unreasonable conditions to approval that are not acceptable to Buyer in its sole discretion or (ii) Seller fails to obtain the Government Approvals prior to the Approval Deadline, then, in the case of any such event, Buyer shall have the right to terminate this Agreement by providing written notice to Seller ("Approval Termination Notice"). Upon receipt of the Approval Termination Notice, the Second Deposit shall be refunded to Buyer and this Agreement shall be terminated and shall be null and void without recourse as to either party hereto, except for those obligations that expressly survive the termination of this Agreement.

d. So long as Seller is not required to incur any cost or expense with regard thereto, Seller shall cooperate with Buyer in performing its due diligence with respect to the Property and in seeking any and all consents, permits or approvals regarding the Property as Buyer may request, and Seller shall promptly join in all applications for building permits, certificates or other agreements, and permits for sewer, water, or other utility services, other instruments or other permits or approvals, the granting of or entry into which, by any governmental or quasi-governmental authority having jurisdiction over the Property, is, in Buyer's reasonable opinion, necessary to permit the development, construction, use or occupancy of the Intended Improvements.

e. Buyer intends to submit an application to Florida Housing Finance Corporation (FHFC) for Low Income Housing Tax Credits (LIHTC) on or before the Application Deadline established by FHFC, subject to change based upon the FHFC determination. If Buyer determines that the LIHTC application submitted by Buyer either will not or has not been successful in obtaining an allocation of LIHTC in an amount sufficient to construct the Intended Improvements, then Buyer shall be entitled (but Buyer shall not be obligated) to terminate this Agreement by providing written termination notice to Seller and upon such termination by Buyer, the Deposit shall be refunded to Buyer, except as otherwise provided herein, and the parties shall be relieved of all further liability under this Agreement, except for those obligations which expressly survive termination of this Agreement.

f. Notwithstanding anything contained herein to the contrary, Seller shall have the right to review and approve or disapprove the final elevations for the Intended Improvements.

7. **Covenants of Seller; Operation of the Property.** Seller hereby covenants and agrees that from and after the Effective Date:

a. Seller will not, without the Buyer's prior written consent, create by its consent any encumbrances on the Property. For purposes of this provision the term "encumbrances" shall include, but not be limited to, any liens, claims, options, or other encumbrances, encroachments, rights-of-way, easements, covenants, conditions or restrictions.

b. Seller shall pay all assessments and taxes prior to becoming delinquent.

c. Seller will not create or consent to the creation of any special taxing districts or associations with the authority to impose taxes, liens or assessments on the Property.

d. Seller will not remove any fill or cause any change to be made to the condition of the Property without the prior written consent of the Buyer.

e. Seller shall take no action with respect to the Property that would alter or affect any of the representations or warranties of Seller under this Agreement or which would in any manner affect Buyer's future use and development of the Property.

8. **Closing Conditions.** Buyer's obligation to close this transaction shall be subject to the satisfaction of each of the following conditions on or before the Closing Date:

a. Seller shall not be in default under any term, covenant or conditions of this Agreement.

b. Each of the representations and warranties of Seller set forth in this Agreement shall be true, complete and correct at the date of the Closing as if made at that time, and the Seller shall have delivered its certificate to such effect.

c. Buyer shall have received an award of LIHTC funds from FHFC sufficient to construct the Intended Improvements.

d. There shall not be a sewer, water, building or other moratorium in effect which would interfere with the immediate construction and occupancy of Buyer's Intended Improvements ("Moratorium").

e. At the Closing, the Title Insurance Company shall irrevocably commit to issue to Buyer an ALTA Owner's Policy of title insurance, dated as of the date and time of the recording of the deed, in the amount of the Purchase Price, insuring Buyer as owner of good, marketable and indefeasible fee simple title to the Property, free and clear of liens and encumbrances, and subject only to the Permitted Exceptions ("Title Policy").

f. Sole and exclusive possession of the Property shall be delivered to Buyer at Closing.

In the event that any of the foregoing conditions precedent to Closing have not been satisfied as of the Closing Date, Buyer shall have the right to waive any or all of the foregoing conditions and close this transaction or Buyer shall have the right to terminate the Agreement, and in such event the Deposit and all interest earned thereon shall be refunded to Buyer and neither party shall have any further rights or obligations hereunder, except those obligations which survive termination of the Agreement, except that the failure of Buyer to receive an award of LIHTC funds from FHFC sufficient to construct the Intended Improvements shall not entitle Buyer to a refund of the Deposit. If at the time of Closing, there is a Moratorium in effect with respect to the Property as described herein, then at Buyer's option (by written notice to Seller): (i) this Agreement shall be terminated and in such event the Deposit shall be refunded to Buyer and neither party shall have any further rights or obligations hereunder, except those obligations which survive termination of the Agreement; or (ii) the Closing Date may be extended to the earlier of twenty (20) days after the date the Moratorium is lifted or six (6) months from the scheduled Closing. If the Closing Date is extended and if the Moratorium is still in effect six (6) months from the scheduled Closing, then unless Buyer waives the existence of such Moratorium as a Closing condition and elects to close this transaction, this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except those obligations which survive termination of the Agreement. If Buyer waives such condition, the Closing shall take place within twenty (20) days after expiration of such six (6) month period.

9. **Closing Documents.** The Closing documents shall be provided by the parties as set forth below, in form acceptable to Buyer:

a. At Closing Seller shall execute and/or deliver to Buyer:

i. **Warranty Deed.** A warranty deed in recordable form, duly executed by the Seller, conveying to the Buyer good, marketable and insurable fee simple title to the Property subject only to the permitted exceptions as reflected in the Commitment which have not been objected to by Buyer, with the legal description provided in the Commitment.

ii. **Affidavit.** An owner's and contractor's affidavit adequate for title insurance to be issued by the Title Company without exception for parties in possession, mechanics' or materialmen's liens and to permit the Title Company to delete the "gap" in the Title Commitment.

iii. FIRPTA Affidavit. In order to comply with the requirements of the Foreign Investment Real Property Tax Act of 1980 ("FIRPTA"), Seller will deliver to Buyer at Closing Seller's affidavit under penalty of perjury stating the Seller is not a "foreign person," as defined in Section 1445 of the Internal Revenue Code of 1986 and the U.S. Treasury Regulations thereunder, setting forth Seller's taxpayer identification number, and that Seller intends to file a United States income tax return with respect to the transfer or is exempt from filing a return. Seller represents and warrants to Buyer that it has not made nor does Seller have any knowledge of any transfer of the Property or any part thereof that is subject to any provisions of FIRPTA that has not been fully complied with by either transferor or transferee.

iv. A duly executed certification that every representation and warranty of Seller under this Agreement is true and correct as of the Closing as if made by Seller at such time;

v. Any and all documents reasonably requested by Buyer or the title company in connection with Seller's authority to execute this Agreement, the deed and all other documents contemplated under this Agreement, including Trustee Affidavits, copies of Seller's Trust Agreement, and any co-trustee or beneficiary consent required thereunder;

vi. Any and all documents requested by the title company which are required to release any vendor claims that may be available to Seller due to the unpaid portion of the Purchase Price at Closing.

vii. A closing statement prepared by Escrow Agent setting forth all amounts paid, credited and otherwise due, payable and paid hereunder ("Closing Statement"); and

viii. Such additional documents or instruments as may be required to effectuate the terms, conditions and provisions hereof and to carry out the intent of the parties hereto, or as may be reasonably required by the title insurance company, so as to be able to delete at Closing all of the requirements of Schedule B-Section 1 of the Title Commitment and all of the standard printed exceptions (other than the exception for taxes and assessments for the current year not yet due and payable, and the survey exception, which shall be limited to the specific matters affecting the Property reflected on the Survey) from Schedule B-Section 2 of the Title Commitment, and to insure the gap between the effective date of the Title Commitment and the recording of the deed conveying title to the Property from Seller to Buyer.

b. At Closing, Buyer shall deliver to Seller:

(i) Closing Statement executed in counterpart;

(ii) The Assignment Agreement executed in counterpart;

(iii) The Purchase Price (as adjusted for all credits, adjustments and prorations set forth in this Agreement); and

(iv) Final Building Permits issued by City of Lakeland and permits from any other regulatory agencies required to commence construction.

(v) Such additional documents or instruments as may be reasonably required or requested by Seller to effectuate the terms, conditions and provisions of this Agreement.

10. **Closing/Closing Expenses.** Except as otherwise provided herein, the consummation of the transactions described in this Agreement (“Closing”) shall take place at the offices of Buyer’s counsel or by mail no later than December 31st, 2020 (“Closing Date”).

At Closing, Buyer shall pay the cost of state documentary stamps and surtax on the warranty deed, all title search fees and other costs pertaining to the Title Commitment and for the title insurance premium on the owner’s title insurance policy to be issued to Buyer pursuant to the Title Commitment in an amount equal to the Purchase Price, the fee for recording the warranty deed, and the costs of the Survey. Each party shall pay its own attorneys’ fees.

11. **Prorations.** The following items shall be adjusted, apportioned, and allowed as of the Closing Date:

a. **Special Assessment Liens.** If, on the Closing Date, the Property or any part thereof, shall be or shall have been affected by any certified, confirmed, and ratified special assessment liens, the same shall be paid and discharged by Seller. Pending liens shall be assumed by Buyer; provided, however, that once the amount of a pending special assessment lien has been finally determined, the amount of the special assessment lien shall be prorated and Seller shall reimburse Buyer for any amounts paid by Buyer which are allocable to the period of time Seller owned the Property within thirty (30) days of Buyer’s delivery to Seller of the proration statement.

b. **Real Estate Taxes.** If the Closing shall occur before the tax rate is fixed, the apportionment of taxes shall be based upon the real estate taxes for the previous year. If the tax rate is not fixed at Closing, the parties agree to make an appropriate adjustment upon the issuance of the actual statement for the taxable year. Thus, if at the time of Closing, the taxes for the current year have not been finally determined, Seller or Buyer, as the case may be, agree to pay any balance later found to be due on the reparation of the actual taxes for the year in which the Closing occurred, within thirty (30) days of the determination thereof.

c. The provisions of this section shall survive the Closing.

12. **Seller’s Representations and Warranties.** Seller represents and warrants to Buyer and covenants and agrees with Buyer as follows:

a. Seller has not entered into any contracts, subcontracts, arrangements, leases, licenses, concessions, easements, or other agreements, either recorded or unrecorded, written or oral, affecting all, or any portion of, or any interest in the Property, which will not have been terminated or expired prior to Closing;

b. To the best of Seller’s knowledge, there are no: (1) existing or pending improvement or special assessment liens affecting the Property; (2) violations of building codes and/or zoning ordinances or other governmental or regulatory laws, ordinances, regulations, orders or requirements affecting the Property; (3) existing, pending or threatened lawsuits, or appeals of prior lawsuits, affecting the Property; (4) existing, pending or threatened condemnation

proceedings affecting the Property; (5) existing, pending or threatened zoning, building or other moratoria, downzoning petitions, proceedings, restrictive allocations or similar matters that could adversely affect the development of the Intended Improvements on the Property; or (6) unrecorded easements, restrictions or encumbrances affecting all or any part of the Property;

c. Seller has not used, manufactured, stored, or released any "Hazardous Materials" (as hereinafter defined) on, in or around the Property, and, to the best of Seller's knowledge, no other person or entity has ever used, manufactured, stored or released any Hazardous Materials on, in or around the Property, and, to the best of Seller's knowledge, no Hazardous Materials are present in, on, under or around the Property. As used herein, "Hazardous Materials" shall mean petroleum and petroleum based products and any other substance or material, the use, manufacture, storage, release or presence of which in land, water or elsewhere in the environment is limited, prohibited or in any other way regulated by any federal, state or local law, ordinance, rule or regulation. Seller further represents and warrants that, to the best of Seller's knowledge, no portion of the Property has ever been used as a landfill or a dump;

d. There are no agreements currently in effect which prohibit or restrict the sale of the Property;

e. Seller has the right, power and authority to execute and deliver this Agreement, to perform each and every obligation of Seller hereunder, and to consummate the transactions contemplated by it; no consent is required by any co-trustee or beneficiary to the Seller's land trust for the execution of this Agreement or the consummation of the transactions set forth herein; neither the execution and delivery of this Agreement, and, to the best of Seller's knowledge, neither the performance or consummation of the obligations and transactions contemplated by it, nor the fulfillment of, nor the compliance with, the terms, conditions and provisions of this Agreement will conflict with, or result in a violation or breach of, any relevant law, or any other instrument or agreement of any nature to which Seller is a party or by which it is bound or may be affected, or constitute (with or without the giving of notice or the passage of time) a default under such an instrument or agreement; no consent, approval, authorization or order of any person is required with respect to the execution or delivery of this Agreement or the performance and consummation of the transactions contemplated by this Agreement;

f. No commitments or agreements have been or will be made by Seller to any governmental authority, utility company, school board, church or other religious body, any homeowners or homeowners' association, or any other organization, group or individual, relating to the Property which would impose an obligation upon Buyer to make any contributions or dedications of money, land, or any interest in land, to construct, install or maintain any improvements of a public or private nature on or off the Property, or otherwise impose any obligations or liability on Buyer or the Property;

g. The Property is currently zoned for multifamily under the applicable zoning ordinance affecting the Property;

h. All utilities, including, without limitation, water, sewer, electricity, telephone, gas and cable television which are necessary or desirable and in the capacities or size

required for development of the Property are available at or near the boundaries of the Property at the rates generally chargeable to developers in Polk County, Florida;

i. All agreements, documents, studies and other materials delivered to Buyer pursuant to the provisions of Sections 3 and 4(a) are true, correct and complete copies of all such items;

j. Seller has received no notice of and to its knowledge there is no violation of any law, regulation, ordinance, order or judgment affecting the Property;

k. Seller owns the Property in fee simple, subject only to those matters disclosed in the Title Commitment.

At all times during the term of this Agreement and as of the Closing Date, all of Seller's representations, warranties and covenants in this Agreement shall be true and correct; no representation or warranty by Seller contained in this Agreement and no statement delivered or information supplied to Buyer pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements or information contained in them or in this Agreement not misleading. In the event that any of the foregoing representations or warranties becomes untrue as a result of an act of a third party which is unrelated to and unaffiliated with Seller then such inaccuracy shall not be deemed to be a breach by the Seller, but such inaccuracy shall permit Buyer to terminate this Agreement. The provisions of this section shall survive the Closing.

13. **Broker.** Seller and Buyer represent and warrant each to the other that they have not dealt with any real estate broker, sales person or finder in connection with this transaction other than Gene Strickland of Strickland Real Estate. Seller shall pay a real estate commission of 8% of the Purchase Price at Closing to Strickland Real Estate.

14. **Condemnation.**

a. If the Property, or any part thereof, or any interest therein, shall be taken by eminent domain or condemned prior to the Closing Date, or if Seller shall receive any notice or knowledge that any agency or entity having the power of eminent domain is contemplating or is seeking the taking or condemnation of the Property, or any part thereof, or any interest therein, Seller shall promptly notify Buyer thereof ("Condemnation Notice").

b. Subject to the provisions of subsections (c) and (d) of this section, Buyer shall be entitled to the proceeds of any condemnation proceeding relating to any taking prior to or after the Closing Date. If the payment of such proceeds is received by the Seller prior to the Closing Date; the proceeds shall be delivered to Buyer at Closing. If such proceeds are not delivered to the Buyer on the Closing Date, there shall be a Closing adjustment under Section 2 in the amount of such proceeds.

c. If a condemnation, eminent domain or other taking proceeding shall have been overtly threatened or commenced against the Property, or a portion thereof, or an interest therein, then in any such event, Buyer shall have the option within thirty (30) days after receiving each Condemnation Notice, either to: (i) notify Seller and Escrow Agent of Buyer's election to

terminate this Agreement in which case the Deposit, shall be returned to Buyer and the parties shall thereafter be relieved of any further obligation or liability hereunder except with respect to those obligations which expressly survive termination; or (ii) complete the sale without any adjustments to the Purchase Price, except that any and all condemnation awards which relate to the Property, or any portion thereof, or any interest therein, received by Seller before Closing in respect of such taking shall be paid to Buyer on the Closing Date as a Closing adjustment, and Seller shall transfer and assign to Buyer at Closing all of Seller's rights and interest in and to any such awards and any such proceeds, and all such proceeds and all such awards received by or payable to the Seller after Closing on account thereof shall be paid over to Buyer as a post-closing adjustment under Section 2. Seller's obligation to transfer to Buyer all such proceeds and all such awards received by or paid to the Seller after Closing shall survive the Closing hereunder.

d. Notwithstanding anything in this Agreement to the contrary, unless Buyer has elected to terminate this Agreement, as provided in subsection (c) above, the Closing Date shall be thirty (30) days after receiving any Condemnation Notice, or the date set forth in Section 9, whichever is later.

The provisions of this section shall survive the Closing.

15. **Default.** In the event that Buyer shall fail to perform its obligations hereunder, other than its obligations to indemnify, defend and hold harmless Seller, and such failure is through no fault or failure of Seller to comply with its obligations hereunder, Seller may, as its sole, exclusive and absolute remedy, terminate this Agreement and retain, as full and complete agreed upon liquidated damages, the Deposit. This provision shall not be construed or operate to limit Buyer's obligations to indemnify, defend and hold Seller harmless as provided in this Agreement and such obligations shall survive the Closing or termination of this Agreement. If Seller shall refuse to close, despite its obligation to close hereunder, or if any of the representations, warranties and covenants of Seller shall at any time on or before Closing be found to be false or misleading in any material respect, or if Seller is otherwise in default under the terms and provisions of this Agreement, Buyer may: (i) terminate this Agreement and obtain the return of its Deposit, or (ii) Buyer may seek specific performance of Seller's obligations hereunder, unless specific performance is not available to Buyer, in which case Buyer may seek any other remedy available at law or equity.

16. **Notice.** All notices, consents, approvals, waivers and elections which any party shall be required or shall desire to make or give under this Agreement shall be in writing and shall be sufficiently made or given only when delivered in person, mailed by U.S. Mail, return receipt requested, or sent by email, as provided below:

To Buyer:

Green Mills Holdings, LLC
100 SE 3rd Ave, FL 10
Fort Lauderdale, FL 33394
Attention: Oscar A. Sol
Phone: 305-898-2188
Email: osol@greenmillsgroup.com

With a copy to: BROAD AND CASSEL
390 North Orange Ave, Suite 1400
Orlando, FL 32801
Attention: Heather Toft, Of Counsel.
Telephone: (407) 839-4252
Email: htoft@broadandcassel.com

To Seller: Lakeland Community Redevelopment Agency
228 S. Massachusetts Ave.
Lakeland, FL 33801
Attention: Nicole Travis, CRA Manager
Telephone: (863) 834-6011
Email: Nicole.travis@lakelandgov.net

With a copy to: City Attorney's Office
228 S. Massachusetts Ave.
Lakeland, FL 33801
Attention: Palmer C. Davis, Assistant City Attorney
Telephone: (863) 834-6010
Email: palmer.davis@lakelandgov.net

To Escrow Agent: BROAD AND CASSEL
390 North Orange Ave, Suite 1400
Orlando, FL 32801
Attention: Heather Toft, Of Counsel.
Telephone: (407) 839-4252
Email: htoft@broadandcassel.com

Notices, consents, approvals, waivers and elections given or made as aforesaid shall be deemed to have been dated, given and received: (i) on the date of actual receipt if transmitted by overnight courier, hand delivery, or U.S. Mail, return receipt requested, if a signed receipt is obtained; (ii) on the date of transmission, if transmitted by email, provided the recipient emails acknowledgement of receipt, in the absence of which a copy shall also be sent via overnight courier, effective as of the date of delivery to the overnight courier.

17. **Assignment**. Buyer shall be entitled to assign Buyer's rights and obligations under this Agreement to any other related entity owned by, controlled by, under common control, or affiliated with, Buyer. Any other assignment shall require the prior written consent of Seller.

18. **Radon Gas Notice**. Pursuant to Florida Statutes Section 404.056(5), Seller hereby makes, and Buyer hereby acknowledges, the following notification:

RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and

state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

19. **Escrow Agent.**

a. Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement. Escrow Agent shall not be deemed to have any implied duties or obligations under or related to this Agreement.

b. Escrow Agent may: (a) act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine; (b) assume the validity and accuracy of any statement or assertion contained in such a writing or instrument; and (c) assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions of this Agreement has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in escrow, nor as to the identity, authority, or right of any person executing any instrument; Escrow Agent's duties under this Agreement are and shall be limited to those duties specifically provided in this Agreement.

c. The parties to this Agreement do and shall indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or other expenses, fees, or charges of any character or nature, including attorneys' fees and costs, which it may incur or with which it may be threatened by reason of its action as Escrow Agent under this Agreement, except for such matters which are the result of Escrow Agent's negligence or willful malfeasance.

d. If the parties (including Escrow Agent) shall be in disagreement about the interpretation of this Agreement, or about their respective rights and obligations, or about the propriety of any action contemplated by Escrow Agent, Escrow Agent may, but shall not be required to, file an action in interpleader to resolve the disagreement; upon filing such action, Escrow Agent shall be released from all obligations under this Agreement. Escrow Agent shall be indemnified for all costs and reasonable attorneys' fees, including those for appellate matters and for paralegals and similar persons, incurred in its capacity as escrow agent in connection with any such interpleader action; Escrow Agent may represent itself in any such interpleader action and charge its usual and customary legal fees for such representation, and the court shall award such attorneys' fees, including those for appellate matters and for paralegals and similar persons, to Escrow Agent from the losing party. Escrow Agent shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in the interpleader action is received.

e. Escrow Agent may resign upon five (5) calendar days' written notice to Seller and Buyer. If a successor escrow agent is not appointed jointly by Seller and Buyer within the five (5) calendar-day period, Escrow Agent may petition a court of competent jurisdiction to name a successor.

f. Seller and Buyer acknowledge and agree that Escrow Agent is the law firm representing Buyer with regard to this Agreement and the transaction which is the subject hereof, and hereby waive any claim against Escrow Agent based upon a conflict of interest as a result of Escrow Agent serving in such dual capacities, excluding only actions by Escrow Agent constituting knowing and intentional misconduct. Seller further agrees that Escrow Agent shall be permitted to represent Buyer in all aspects of this Agreement and the subject transaction, including, without limitation, any dispute with respect to the Deposit.

g. The provisions of this Section shall survive the Closing and also the cancellation of this Agreement.

20. **General Provisions.** The following general terms and conditions apply to this Agreement:

a. **Singular/Plural – Masculine/Feminine.** Words used herein in the singular shall include the plural and words in the masculine/feminine/neuter gender shall include words in the masculine/feminine/neuter where the text of this Agreement requires.

b. **Titles.** Headings in this Agreement are for convenience only.

c. **Successors.** The terms, covenants, and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and assigns, except as herein limited.

d. **Choice of Law.** This Agreement shall be interpreted according to the laws of the State of Florida.

e. **Time.** Time is of the essence in the performance of each and every one of the obligations of the parties to this Agreement. Unless otherwise specified, in computing any period of time described herein, the day of the act or event for which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday.

f. **Effective Date.** The last date this Agreement is executed by Buyer and Seller shall be deemed to be the “Effective Date” of this Agreement.

g. **Jury Trial Waiver.** In the event that it becomes necessary for either party to bring suit to enforce the terms of this Agreement, then each party hereby irrevocably and unconditionally waives any right it may have to a trial by jury.

h. **Liability Joint and Several.** If more than one party is named herein as Seller, then such parties hereby agree that the liability of each hereunder shall be joint and several.

i. **Entire Agreement; Construction; Severability.** This Agreement integrates and supersedes all other agreements and understandings of every character of the parties and comprises the entire agreement between them. This Agreement may not be changed, except in writing signed by the parties. No waiver of any rights or obligations hereunder shall be deemed

to have occurred unless in writing signed by the party against whom such waiver is asserted and no waiver shall be deemed a waiver of any other or subsequent right or obligations. The parties acknowledge that the parties and their respective counsel have reviewed and revised this Agreement and, therefore, the normal rule of construction of contracts that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement and any exhibits or amendments thereto. If any portion of this Agreement is held to be invalid or inoperative, the remainder of it shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative to the extent possible.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties have executed this Agreement on the dates set forth below.

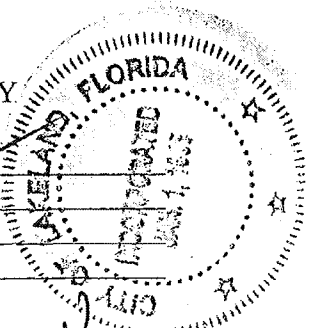
BUYER: Green Mills Holdings, LLC

By: *Ode*
Print Name: Oscar Sol
Title: Manager
Date: 3-5-2018

SELLER:

LAKELAND COMMUNITY
REDEVELOPMENT AGENCY

By: *H. William Mutz*
Print Name: H. William Mutz,
LCRA Chairman
Date: 03-05-2018



**APPROVED AS TO FORM
AND CORRECTNESS:**

Timothy J. McCauland
Timothy J. McCauland
City Attorney

Attest: *Kelly S. Koos*
KELLY S. KOOS, CITY CLERK

JOINDER OF ESCROW AGENT

Broad and Cassel has joined in the execution of this Agreement in order to acknowledge its agreement to act as Escrow Agent in accordance with the terms and provisions of this Agreement, subject to collection.

Dated as of the 5th day of March, 2018.

ESCROW AGENT:

BROAD AND CASSEL

By: *Heather Toft*
Name: Heather Toft, Esq.
Title: Of Counsel

EXHIBIT "A"

Legal Description of the Property

729 E. Parker Street, 741 E. Parker Street, 706 N. Lake Avenue, 734 E. Myrtle Street, and 707 N. Stella Avenue in the City of Lakeland, Florida. The parcel identification numbers and legal descriptions for the property are as follows:

- Parcel 24-28-18-200000-050050
 - BAKERS SUB PB 1 PG 53 BLK 50 LOT 5 & 6 LESS RD R/W
- Parcel 24-28-18-200000-050011
 - BAKERS SUB PB 1 PG 53 BLK 50 LOTS 1 2 3 & 4 LESS RD R/W
- Parcel 24-28-18-200000-050080
 - BAKERS SUB PB 1 PG 53 BLK 50 LOTS 8 9 & 12
- Parcel 24-28-18-200000-050110
 - BAKERS SUB PB 1 PG 53 BLK 50 LOT 11
- Parcel 24-28-18-200000-050070
 - BAKERS SUB PB 1 PG 53 BLK 50 LOTS 7 & 10

