

Tab 2

V. Old Business - attachments

- a. Heron Estates Senior Apartments – financing update and authorization for another TEFRA hearing
 - i. Updated developer application

APPLICATION

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

A. Developer Information:

1. Applicant Name: HTG Heron Estates Senior, LLC
2. Name of Owner for Inducement Resolution: HTG Heron Estates Senior, LLC
3. Type of Entity (e.g. Florida corporation, limited partnership, etc): Limited Liability Company Ownership chart of the Entity including individual principals is provided as **“Exhibit A”**.
4. Address: 3225 Aviation Avenue, Suite 602, Coconut Grove, Florida 33133
5. Contact Person: Matthew Rieger
6. Telephone: 305-537-4884
7. E-mail address: mrieger@htgf.com

B. Project Information

1. Project Name: Heron Estates Senior Apartments

NOTE: After Inducement, Project name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, 'marking' or d/b/a name.
2. Project Street Address/Zip Code (if new construction, give street names, city and zip code): W 17th Court and N Congress Ave, Riviera Beach , Florida 33404 -5002
3. County Commission District in which Project is Located: District 7

C. Project Category and Population:

1. Choose all that apply:

New Construction ☒ Acquisition ☐ Remarketing ☐
Rehabilitation ☐ Refunding ☐ Acquisition/Rehab ☐

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

No ☒ Yes ☐ If yes include plan for temporary relocation of existing tenants as “**Exhibit N/A**”

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

D. Project Status:

Has construction begun? No ☒ Yes ☐ Date permits issued

Is the project complete? No ☐ Yes ☐ Date CO issued

E. Number of Units:

Total Number of Units: 101

Number of Residential Units: 101

Number of Set-Aside Units: 101

Percent of Set-Aside Units: 100%

F. Manager/Employee Units:

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

No ☒ Yes ☐ If yes, how many? Unit Type(s):

If so, will each unit be occupied by an income-eligible manager/employee and included in the number of units set-aside? If included in set-aside, it must be used in all calculations for number of units, e.g. in rent charts, pro formas, etc. NOTE: If manager/employee unit(s) is exempt from LIHTC rent restrictions, the unit rent should be calculated as if it were a market-rate unit.

No ☐ Yes ☐

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

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

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project)	Net Rent for Set- Aside Units	Monthly Market Rent+
1BR	1	674	72	60	756	101	655	
1BR	1	674	9	33	416	101	315	
2BR	1	918	18	60	907	113	794	
2BR	1	918	2	33	499	113	386	

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

Utility allowance of \$101- 1 bedroom 113 - 2 bedroom 3 bedroom 4 bedroom

+ NOTE: Answer for market rate units only.

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

CHOOSE ONLY ONE:

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

I. Describe Project:

The project entails construction of a 101 units, two and three story muliti family buildings situated on 6.5 acres of land leased from the Riviera Beach Housing Authority.

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

Green building certification , community room, residential walking paths. Additionally, there will be resident programs consisting of literact training , daily activities, assiastnce with housekeeping , grocery shopping and laundry facilities.

K. Will any units be accessible to the handicapped?

Yes ☒ No ☐ How many? 5

L. Type of Building:

Elevator ☒ Walkup ☐ Townhouse ☐
Detached ☐ Semi-detached ☐

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

One building - 3 stories.

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

Yes ☒ No ☐

If no, explain:

O. Project Financing And Proposed Structure:

1. Overview of Proposed Financing Summary:

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

	Check If app.	Amount	% of Project Cost
Tax-exempt Bonds	<input checked="" type="checkbox"/>	\$ 5,850,000	27%
Taxable Bonds	<input type="checkbox"/>		
SAIL	<input checked="" type="checkbox"/>	\$5,691,718	26%
HOME (State Funds)	<input type="checkbox"/>		
HOME (Local Funds)	<input type="checkbox"/>		
CDBG	<input type="checkbox"/>		
SHIP	<input checked="" type="checkbox"/>	115,000	1%
LIHTC Equity (4% credits)	<input checked="" type="checkbox"/>	\$8,734,000	41%
Other	<input checked="" type="checkbox"/>	1,100,000	5%

Total	<input checked="" type="checkbox"/>	\$21,490,718	100%
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Briefly describe sources listed above:

Sources listed above are for the Permanent phase of the development. We are requesting \$13,200,000 in Tax Exempt Bonds for use during the Construction Period. Other financing consists of a \$1 million loan from the Housing Authority of Riviera Beach, a \$115,000 SHIP loan from Palm Beach County, and \$100,000 of deferred development fee.

2. Subordinate Financing:

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms, amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **“Exhibit B.”**
- (b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **“Exhibit .”**
- (c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? Yes ☐ No ☒

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

Yes ☒ No ☐

- (a) If yes, LIHTC Requested Amount \$766,221 Annually

- (b) If yes, name of Syndicator: City Real Estate Advisors

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

- (c) Is the project located in a QCT/DDA: Yes ☒ No ☐ If yes evidence of such designation is attached as **“Exhibit D.”**
- (d) If the project is subject to a FHFC location restriction area attach a description as **“Exhibit .”**

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

No ☐ Yes ☒

If yes, check all that apply:

Moderate Rehab ☐

RD 515 ☐

Section 8 ☒

Other ☐

Number of units receiving assistance: 50

Number of years remaining on rental assistance contract: 20

Number of years remaining on rental assistance contract: 20

5. Credit Enhancement or bond purchaser:

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (Florida Affordable Housing Guarantee Program, FHA-insured loan, Fannie Mae), surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

JP Morgan Chase Bank private placement. 24 month construction term with a 15 year permanent term.

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

6. Proposed bond structure:

Type of interest rate expected: fixed ☒ floating ☐

Term of Bonds: 17

Estimated interest terms: LIBOR + 175 bps during construction. 10TY + 239 bps during permanent term.

Placement structure: private placement ☒ public offering ☐

7. Economic Feasibility of the Project:

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

(a) Pro forma cash flows at maximum interest rate at which Project will work;

- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs.
- (c) The maximum annual debt service at which the Applicant commits to proceed: \$408,000
- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$11,500,000

P. Proposed Project Schedule

<u>Activity</u>	<u>Date</u>
HFA board meeting to consider application	June 2016
Final site plans & architectural drawings	March 2017
Complete third party credit underwriting	June 2017
Approval of subordinate financing	July 2017
All other necessary local approvals	August 2017
Obtain Credit Enhancement/Bond Purchase Commitment	June 2017
Issue bonds	August 2017
Start construction or rehabilitation	September 2017
Complete construction or rehabilitation	September 2018
Start rent-up	September 2018
Complete rent-up	March 2019

Q. Ability To Proceed

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

1. Site Control

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

Site is controlled by: Ground Lease

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

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

2. Zoning and Land Development Regulations:

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

- (a) Is the site appropriately zoned for the proposed Project?
No ☐ Yes ☒
- (b) Indicate zoning designation(s): RML - 12
- (c) Current zoning permits 12 units per acre, or units for the site (PUD).
- (d) Total number of Units in Project: 101
- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as **“Exhibit H”**

3. Site Plan:

- (a) New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?
Yes ☐ No ☒

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

If no, local approval is expected on: June 2017 and a letter from the appropriate local government official indicating preliminary or conceptual site plan, or if no neither preliminary or conceptual approval is given prior to final site plan approval, a description of status of the local government review of the Project shall be attached hereto as **“Exhibit I”**

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

Yes ☐ No ☐

If yes: a copy of the approved site plan shall be attached hereto as **“Exhibit .”**

If no: a copy of an “as-built” survey of the Project shall be attached hereto as **“Exhibit .”**

4. Environmental:

An Environmental Assessment, if completed, along with documentation regarding any required remedial action is attached hereto as **“Exhibit J.”**

5. Concurrency:

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

Q. Other Information:

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

Yes ☒ No ☐

- (b) How many and what type of projects have you completed in the Palm Beach County? 12 Affordable Housing Projects - See Exhibit A

- (c) Developer:

Firm: Housing Trust Group

Phone: 305-537- 4884

Contact Person: Matthew Rieger

- (d) Proposed Architect:

Firm: David Lawrence Architects

Phone: (561) 588-5070

Contact Person: David Lawrence

- (e) Proposed Managing Agent:

Firm: HTG Management, LLC

Phone: 305-537-4697

Contact Person: Gilda Fernandez

- (f) Proposed General Contractor:

Firm: TBD

Phone:
Contact Person:

- (g) Proposed Developer's Attorney:
Firm: Sterns Weaver
Phone: 305-789-3350
Contact Person: Brian J. Mc Donough
- (h) Proposed Investment Banker (see Authority "Bond Underwriter Selection Policy") or private placement bond purchaser:
Firm: RBC Capital Markets
Phone 727-895-8892
Contact Person: Helen Hough Feinberg
- (i) Proposed Credit Underwriter:

Firm: Seltzer Management Group, Inc.
Phone (850) 233-3616
Contact Person: Rick Crogan
- (j) Provide the following for the property/project seller or lessor:
Entity: Riviera Beach Housing Authority
Phone 561-845-7450
Contact Person: John Hurt

[Remainder of page intentionally left blank]

Certificate of Understanding

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

Dated on this May day of 2 , 2017.

By:

Printed Name: Matthew Rieger

Title: Manager of Manager

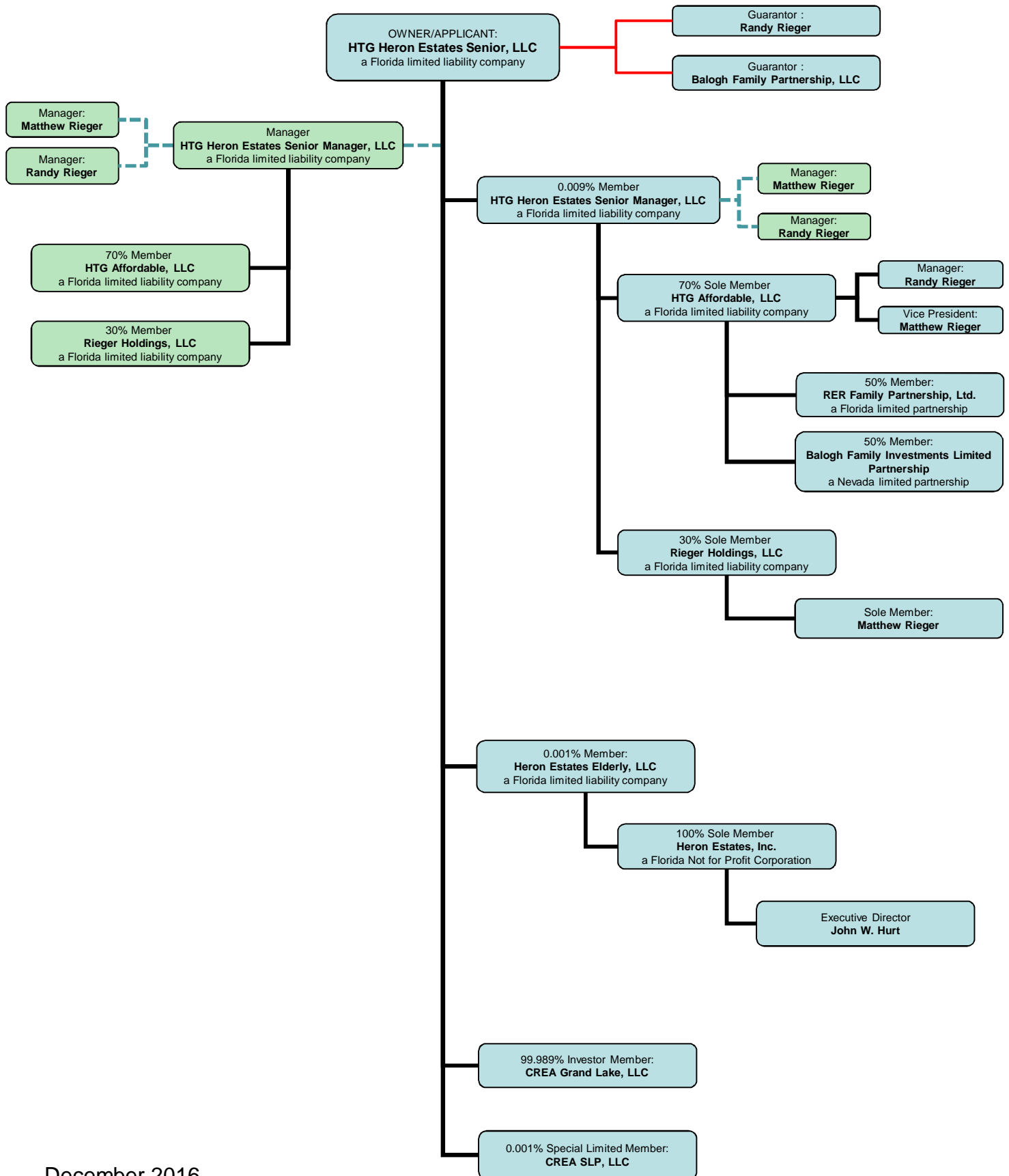


EXHIBIT A

Heron Estates Senior Apartments

Riviera Beach, Florida

December 2016



December 2016

State of Florida

Department of State

I certify from the records of this office that HTG HERON ESTATES SENIOR, LLC, is a limited liability company organized under the laws of the State of Florida, filed on January 20, 2015, effective January 20, 2015.

The document number of this company is L15000011796.

I further certify that said limited liability company has paid all fees due this office through December 31, 2015, and its status is active.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this
the Twenty-sixth day of January,
2015*



Ken Datzner
Secretary of State

Authentication ID: CU5519814836

To authenticate this certificate, visit the following site, enter this ID, and then follow the instructions displayed.

<https://efile.sunbiz.org/certauthver.html>

EXHIBIT B

LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION – LOAN FORM

Name of Development: Heron Estates Senior

Development Location: W 17th Ct., W 17th Ct. and N. Congress Ave., Riviera Beach

(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

On or before the Application Deadline, the City/County of Palm Beach County, committed
(Name of City or County)

\$ 115,000.00 (which may be used as a Non-Corporation Funding Proposal in the Application if it meets the
(loan amount)

required criteria) in the form of a reduced interest rate loan to the Applicant for its use solely for assisting the proposed Development referenced above.

The net present value of the above-referenced loan, based on its payment stream, inclusive of a reduced interest rate and the designated discount rate (as stated in the applicable RFA) is: \$76,123.00.

No consideration or promise of consideration has been given with respect to the loan. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this loan is effective as of the Application Deadline referenced above, and is provided specifically with respect to the proposed Development.

CERTIFICATION

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA.

Verdenia C. Baker
Signature

Verdenia C. Baker

Print or Type Name

County Administrator

Print or Type Title

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager /Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0663, Florida Statutes, this certification must be signed by the Chair of the Land Authority. One of the authorized persons named above may sign this form for certification of state, federal or Local Government funds initially obtained by or derived from a Local Government that is directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization (CHDO). Other signatories are not acceptable. The Applicant will not receive credit for this contribution if the certification is improperly signed. To be considered for points, the amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If the Application is not eligible for automatic points, this contribution will not be considered if the certification contains corrections or 'white-out' or if the certification is altered or retyped. The certification may be photocopied.

Please note: This form may be modified by Florida Housing Finance Corporation per Section 67-60.005, F.A.C.

(Form Rev. 01-14)

RFA 2015-112

Via E-Mail

May 17, 2016

Matthew Rieger
HTG Heron Estates Senior, LLC
3225 Aviation Avenue, Suite 602
Coconut Grove, FL 33133

Re: Heron Estates Senior (2016-172S)
Invitation to Enter Credit Underwriting
RFA 2015-112 - SAIL Financing of Affordable Multifamily Housing Developments to be used in
Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits

Dear Mr. Rieger:

On May 6, 2016, Florida Housing's Board of Directors approved your application for a State Apartment Incentive Loan (SAIL), an Extremely Low Income (ELI) Loan and Non-Competitive Housing Credits (HC). As such, Florida Housing is extending an invitation to enter credit underwriting for the programs mentioned above.

For SAIL and ELI, this letter represents a preliminary commitment for a SAIL loan in an amount up to \$4,971,218.13, and an ELI loan in an amount up to \$720,500 ("Loan"). The Loan is subject to availability of funds appropriated and funded by the Florida Legislature.

This funding would be contingent upon:

1. Borrower and Development meeting all requirements of RFA 2015-112 and all other applicable federal, state and FHFC requirements;
2. A positive credit underwriting recommendation;
3. Availability of funds appropriated and funded by the legislature; and
4. Final approval of the credit underwriting report by the Florida Housing Board of Directors.

Section 42 of the Internal Revenue Code, as amended, requires Florida Housing to make a determination of the amount of housing credits needed for the financial feasibility and viability of the Development throughout the credit period. The credit underwriter will perform this analysis of credit need.

Pursuant to RFA 2015-112, the credit underwriting process must be complete within nine (9) months of the Applicant's acceptance to enter credit underwriting. Unless an extension is approved by the Corporation in writing, failure to complete the credit underwriting process by the specified deadline shall result in withdrawal of the preliminary commitment.

Rick Scott, Governor

Board of Directors: Bernard "Barney" Smith, Chairman • Natacha Munilla, Vice Chairman
Renier Diaz de la Portilla • Ray Dubuque • John David Hawthorne Jr. • Brian Katz • Leonard Tylka • Howard Wheeler
Taylor Teepell, Florida Department of Economic Opportunity, Ex Officio

Executive Director: Stephen P. Auger

Matthew Rieger
Heron Estates Senior
May 17, 2016
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Additionally, the Loan must close within 12 months of the date of the invitation to enter credit underwriting (preliminary loan commitment) which is **May 17, 2017**. In the event an extension is granted by the Board and the Loan does not close by the end of the extension period, the preliminary commitment or firm commitment, as applicable, will be deemed void and the funds will be de-obligated.

By **May 24, 2016**, you must submit a check for **\$17,156**, payable to Seltzer Management Group, Inc., the credit underwriter assigned to your development, at the address listed below. Florida Housing will forward your Application submitted in response to RFA 2015-112 to the credit underwriter.

Ben Johnson, Seltzer Management Group, Inc.
17633 Ashley Drive
Panama City Beach, FL 32413
(850) 233-3616

In addition, the underwriter will contact you for an additional fee for a market study, appraisal and, if applicable, a Capital Needs Assessment Report which is to be conducted at the Developer's expense by disinterested parties as required by RFA 2015-112.

Please acknowledge the credit underwriting assignment by returning the enclosed Acknowledgment (original) and a copy of the check submitted to the credit underwriter by **May 24, 2016**, to the attention of Brantley Henderson, Assistant Director of Multifamily Programs at Florida Housing.

Pursuant to Exhibit B of RFA 2015-112, you must provide the items listed on Exhibit A attached to this invitation to Florida Housing within the timeframes specified.

Please forward a completed IRS Form 8821 (enclosed) for each financial beneficiary of the Development, to Florida Housing, Attention: Bill Cobb, by May 31, 2016. Your Housing Credit recommendation is contingent upon receipt of these forms.

Florida Housing looks forward to working with you and the development team to facilitate affordable housing in Florida. If you have any questions, please do not hesitate to contact me.

Sincerely,



Brantley Henderson,
Assistant Director of Multifamily Programs

Enclosure

Cc: Heather Boyd, Multifamily Programs Manager
Karla Brown, Multifamily Programs Manager
Eva Fambro-Price, Multifamily Programs Manager
Bill Cobb, Multifamily Programs Manager

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Matthew Rieger
Heron Estates Senior
May 17, 2016
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Rachael Grice, Multifamily Programs Manager
Jade Grubbs, Multifamily Programs Coordinator
Candice Allbaugh, Assistant Director of Multifamily Programs
Janet Peterson, Asset Management Systems Manager
Tammy Bearden, Loan Closing Manager
Kenny Derrickson, Assistant Comptroller
Ben Johnson, Seltzer Management Group, Inc.

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Matthew Rieger
Heron Estates Senior
May 17, 2016
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INVITATION TO ENTER CREDIT UNDERWRITING

**RFA 2015-112 for SAIL Financing of Affordable Multifamily Housing Developments to be used in
Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits**

ACKNOWLEDGMENT

The undersigned hereby acknowledges and agrees to enter credit underwriting subject to and in accordance with the terms and conditions of Florida Housing's subject letter dated May 17, 2016.

Accept ☒ Decline ☐

HERON ESTATES SR. (2016-1725)
Development Name and ID Number

Signature: 

Print Name: MATTHEW RIEGER

Date: MAY 20, 2016

Exhibit A
**RFA 2015-112 SAIL Financing of Affordable Multifamily Housing Developments to be used in
Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits**

Development: Heron Estates Senior

Application #: 2016-172S

Date of Invitation to Credit Underwriting: May 17, 2016

1. The following must be provided to the Corporation no later than **May 24, 2016**:
 - (a) Name and address of the chief elected official of the local jurisdiction where the proposed Development is located;
 - (b) Notification of the Applicant's eligibility for acquisition credits per Section 42 of the IRC, if applicable;
 - (c) Payment of the required TEFRA fee if receiving Corporation-issued MMRB, as outlined in Items 11.b. and 13.b. of Exhibit C;
 - (d) Applicant's Federal Identification Number. If the number has not yet been obtained, the Applicant will be required to provide a copy of the completed, submitted application for that number;
 - (e) If the Applicant is using Corporation-issued MMRB, the Credit Enhancer's Commitment or Bond Purchaser's Letter of Interest, including a contact person's name, address and telephone number, credit underwriting standards and an outline of proposed terms, must be provided. The stated amount of the Commitment or Letter of Interest shall not be less than the proposed principal amount of the bonds (including any proposed Taxable Bonds); and
 - (f) If the Applicant is using Non-Corporation-issued Tax-Exempt Bonds, a copy of the signed TEFRA letter which is Development-specific must be provided, along with the following documentation, as applicable:
 - a. If the Credit Underwriting for the bonds is complete and it was prepared by a Credit Underwriter under contract with the Corporation, provide a complete copy of the final Credit Underwriting Report; or
 - b. If the Credit Underwriting for the bonds has not been completed or has been completed by a credit underwriter not under contract with the Corporation, provide the name of the assigned credit underwriter and a copy of the inducement resolution or acknowledgement resolution awarding the bonds.
2. The following must be provided to the Corporation no later than **June 7, 2016**:
 - (a) Certification from a licensed environmental provider confirming that a Phase I environmental site assessment has been performed for the entire Development site, and, if applicable, a Phase II environmental site assessment has been or is being performed, as outlined in Item 14.b. of Exhibit C of the RFA;

Exhibit A

RFA 2015-112 SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits

- (b) Confirmation that all construction features committed to and proposed by the Applicant shall be located on the Development site;
- (c) Confirmation that, if the proposed Development meets the definition of Scattered Sites, all Scattered Sites requirements that were not required to be met in the Application will be met, including that all features and amenities committed to and proposed by the Applicant that are not unit-specific shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both;
- (d) Notification of the percentage of ownership of the Principals of the Applicant;
- (e) If the Applicant indicates at question 5.e.(3)(a) of Exhibit A that there are existing occupied units, the Applicant must provide to the Credit Underwriter a plan for relocation of existing tenants, as outlined in Section Four A.5.e.(3) of the RFA;
- (f) Identity of the remaining members of the Development Team (i.e., inexperienced co-Developer(s), General Contractor, Architect, Attorney, Accountant and, if applicable, Service Provider), as outlined in Item 14.a. of Exhibit C of the RFA. The team members so identified, and any future replacement thereof, must be acceptable to the Corporation and the Credit Underwriter;
- (g) Confirmation that the proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria), subject to the following:
 - a. If syndicating/selling the Housing Credits, there are two exceptions to the preceding sentence. First, if there is a bridge loan proposal within the equity proposal that provides for bridge loan proceeds that equal at least 15 percent of the amount of total proposed equity to be provided to be made available prior to or simultaneous with closing of construction financing, the 15 percent criteria will be met. Second, if there is a separate bridge loan proposal from either the equity provider, any entity that is controlled directly or indirectly by the equity provider, or a subsidiary of the equity provider's parent holding company, and the proposal explicitly proposes an amount to be made available prior to or simultaneous with the closing of construction financing that equals at least 15 percent of the total proposed equity to be paid stated in the equity proposal, the 15 percent criteria is met. Bridge loan proposals that are not within the equity proposal, though, must meet the criteria previously stated for debt financing with the exception that evidence of ability to fund does not have to be provided. The Applicant may include the proposed amount of the bridge loan as equity proceeds on the Construction or Rehabilitation Analysis and on the Permanent Analysis (Note: this 15 percent criteria must be reflected in the limited partnership agreement or limited liability company operating agreement); or
 - b. If not syndicating/selling the Housing Credits, proceeds from a bridge loan will not count toward meeting the 15 percent criteria;

Exhibit A

RFA 2015-112 SAIL Financing of Affordable Multifamily Housing Developments to be used in Conjunction with Tax-Exempt Bond Financing and Non-Competitive Housing Credits

- (h) If the Applicant indicated at question 11.a.(3)(c) of Exhibit A that the proposed Development is a phase of a multiphase Development, the attorney opinion letter containing the required information must be provided to the Corporation. The Applicant's invitation to enter credit underwriting will outline information that, at a minimum, must be included in the attorney opinion letter; and
- (i) If the Non-Competitive Housing Credits requested in this Application will be used with Non-Corporation-issued Tax-Exempt Bonds and the Applicant indicates at question 11.a.(3) of Exhibit A that the proposed Development is eligible for the HC boost, then the Applicant must provide a letter from the Development's bond-issuing agency certifying the date the bond application was deemed complete. A "complete application" means that no more than de minimis clarification of the application is required for the agency to make a decision about the issuance of bonds requested in the application. Non-Competitive Housing Credit Applicants must also comply with Section 42, IRC, regarding DDA/QCT qualifying date.



3225 Aviation Avenue • Suite 602 • Coconut Grove, FL 33133 • Tel: 305.860.8188 • Fax: 305.856.1475 • www.htgf.com

May 20th, 2016

Mr. Brantley Henderson
Florida Housing Finance Corporation
Assistant Director of Multifamily Programs
227 North Bronough Street
Suite 5000
Tallahassee, Florida 32301

RECEIVED
15 MAY 24 AM 9:46
FLORIDA HOUSING
FINANCE CORPORATION

Re: Development: **Heron Estates Senior**
Application #: **2016-172S**
Applicant: **HTG Heron Estates Senior, LLC**
Date of Invitation to Credit Underwriting: **May 17, 2016**

Dear Mr. Henderson:

HTG Heron Estates Senior, LLC is pleased to accept Florida Housing Finance Corporation's invitation to credit underwriting.

Pursuant to the Exhibit A of the Invitation to Credit Underwriting, please find the following items due May 24, 2016 either described below or enclosed:

- 1) Name and Address of the chief elected official of the local jurisdiction where the proposed Development is located:
Mayor: Thomas A. Masters
Phone: 1-561-845-4145
Email: mayormasters@rivierabeach.com
Primary Contact Address:
600 Blue Heaven Boulevard
Riviera Beach, Florida 33404
- 2) Notification of the Applicant's eligible for acquisition credits per section 42 of the IRC, if applicable: **Not applicable due to 100% new construction.**
- 3) Payment of the required TEFRA fee if receiving Corporation-issued MMRB, as outlined in the Items 11.b and 13.b of Exhibit C: **Not Applicable.**
- 4) Executed Invitation to Underwriting Acknowledgement Form and copy of check submitted to credit underwriter. **(Enclosed)**

- 5) Applicant's Federal Identification Number: **EIN 81-2698986**
- 6) Corporation-issued MMRB: **Not Applicable**
- 7) Applicant is using Non Corporation -issued Tax Exempt Bonds:
 - a. See attached letter from Palm Beach County Housing Finance Authority indicating its intent to issue an Inducement Resolution and the TEFRA processing timeline for Heron Estates Senior. **(Enclosed)**

If you require any additional information, please feel free to contact me. I can be reached at 786-347-4538.

Sincerely,



Bryan K. Finnie
Housing Trust Group

Cc Matthew Rieger
 Charice Heywood

Date of this notice: 05-20-2016

Employer Identification Number:
81-2698986

Form: SS-4

Number of this notice: CP 575 B

HTG HERON ESTATES SENIOR LLC
MATTHEW RIEGER MBR
3225 AVIATION AVE STE 602
COCONUT GROVE, FL 33133

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 81-2698986. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

05/20/2016

After our review of your information, we have determined that you have not filed tax returns for the above-mentioned tax period(s) dating as far back as 2016. Please file your return(s) by 06/04/2016. If there is a balance due on the return(s), penalties and interest will continue to accumulate from the due date of the return(s) until it is filed and paid. If you were not in business or did not hire any employees for the tax period(s) in question, please file the return(s) showing you have no liabilities.

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you. You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is HTGH. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Keep this part for your records.

CP 575 B (Rev. 7-2007)

Return this part with any correspondence
so we may identify your account. Please
correct any errors in your name or address.

CP 575 B

999999999999

Your Telephone Number Best Time to Call
() -

DATE OF THIS NOTICE: 05-20-2016
EMPLOYER IDENTIFICATION NUMBER: 81-2698986
FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

A standard linear barcode consisting of vertical black bars of varying widths on a white background, located at the bottom of the document.

HTG HERON ESTATES SENIOR LLC
MATTHEW RIEGER MBR
3225 AVIATION AVE STE 602
COCONUT GROVE, FL 33133



**Housing Finance Authority
of Palm Beach County**

100 Australian Avenue, Suite 410
West Palm Beach, FL 33406
(561) 233-3656
FAX (561) 233-3657
www.pbchfa.org

Chairperson

Raymond L. Popkin

Vice Chair

Charles V. St. Lawrence

Secretary

Robin B. Henderson

Clark D. Bennett

Bobby "Tony" Smith

Jimmy L. Weatherspoon

Executive Director

David M. Brandt
dbrandt@pbegov.org
(561) 233-3652

Administrative Assistant

Jennifer M. Hamilton
jhamilton@pbegov.org
(561) 233-3656

*An Equal Opportunity
Affirmative Action Employer*

Official Electronic Letterhead

May 20, 2016

Mr. Brantley Henderson
Florida Housing Finance Corporation
Assistant Director of Multifamily Programs
277 North Bronough Street
Tallahassee, FL 32301

RE: Bond issuance for Heron Estates Senior project

Mr. Henderson:

I received and reviewed last fall an application for issuance of bonds for the proposed Heron Estates Senior Apartments to be located in Riviera Beach. Due to Authority meeting cancellations, and the fact the project was not initially awarded SAIL in the RFA 2015-112 round, both HTG and I determined not to subsequently agenda the application for inducement. Now that FHFC has approved an allocation of remaining and returned SAIL for this project HTG has requested that the Authority proceed with all of the necessary approvals for bond issuance. Presently I anticipate Authority inducement and TERFA hearing approval at the boards June 10, 2016 meeting with PBC Board of County Commission consideration of the issuance of bonds/TEFRA hearing results on June 21, 2016. I will keep you apprised of the progress and provide you with copies of the draft commission agenda items as they become available including an executed resolution once this process has been completed.

If you have any questions regarding this please feel free to contact me. Thank you for your consideration matter.

Sincerely

David Brandt

CC: Bryan Finnie

BOARD OF COMMISSIONERS

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John W. Hurt
Executive Director



RIVIERA BEACH HOUSING AUTHORITY
Building Excellence

October 10, 2016

HTG Heron Estates Senior, LLC
c/o Housing Trust Group
3225 Aviation Avenue, Suite 602
Coconut Grove, FL 33133
Attn: Bryan Finnie

Re: Commitment of Housing Authority Funds to HTG Heron Estates Senior

Dear Mr. Finnie:

This letter is to confirm the terms of the loan from the Riviera Beach Housing Authority (the "Housing Authority") to HTG Heron Estates Senior, LLC (the "Borrower") of Housing Authority \$1,000,000 in funds consisting of RHF funds and other Housing Authority funds for purposes of applying to Florida Housing Finance Corporation for an allocation of SAIL Funds for Affordable Housing Developments Located in Palm Beach County. The terms of the Housing Authority's commitment to the Borrower for construction and permanent financing are as follows:

Loan Amount:	\$1,000,000 (construction and permanent)
Interest Rate:	2.18% (construction and permanent)
Period:	2 year construction loan term; 28 year permanent loan term for a total term of 30 years
Repayment:	No payments during construction loan term; thereafter, annual payments of principal and interest <u>before</u> cash flow available after payment of operating expenses and required debt service on the first mortgage loan. All remaining principal and any accrued and unpaid interest will be due in full at maturity

This commitment does not expire before October 31, 2017.

Please sign below to acknowledge your acceptance of this loan and these terms. We look forward to moving this project forward with you as part of the redevelopment of the former Ivey Green Village public housing project.

Sincerely,

John W. Hurt
Executive Director

q

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Commissioner

Jessica Thurmond
Commissioner

John W. Hurt
Executive Director



RIVIERA BEACH HOUSING AUTHORITY
Building Excellence

ACCEPTED BY:

HTG HERON ESTATES SENIOR, LLC,
A Florida limited liability company

HTG Heron Estates Senior Manager, LLC
A Florida limited liability company
It's Manager.

By:



Matthew Rieger, Manager

EXHIBIT C



30 South Meridian Street, Suite 400
Indianapolis, Indiana 46204

Telephone: 317.634.4400
Toll-Free: 1.800.800.CITY (2489)

October 11, 2016

Matthew Rieger
Housing Trust Group, LLC
3225 Aviation Avenue, Suite 602
Coconut Grove, FL 33133

Re: Heron Estates Senior (the "Project")

Dear Mr. Rieger:

This letter of intent (this "Letter of Intent") summarizes the principal business terms under which a CREA, LLC ("CREA") entity (sometimes referred to herein as the "Investor Member") will acquire an interest in HTG Heron Estates Senior, LLC. (the "Company") that will develop and operate the Project. The terms and conditions of the Investor Member's investment in the Project are subject to the execution of a mutually agreed upon limited partnership agreement (the "Operating Agreement") and CREA's Capital Committee approval. Capitalized terms not otherwise defined herein will have the meanings set forth in the Operating Agreement.

1) Project Information and Assumptions

The Investor Member's willingness to acquire an interest in the Company is based upon the following information and assumptions provided by you. CREA reserves the right to update and adjust this Letter of Intent to reflect any changes in the following information and assumptions discovered during the due diligence and underwriting review.

- a) The Project, located in the Riviera Beach, Florida, County of Palm Beach, will consist of one free standing building having 101 apartment units for rent to seniors 55+. Within the Project, 101 units will be occupied in compliance with the Federal low-income housing tax credit ("LIHTC") requirements of Section 42 of the Internal Revenue Code (the "Code").

- b) Participants

- 1) Developing Member (0.010%):

HTG Heron Estates Senior, LLC which is
owned by HTG Affordable, LLC and Rieger
Holdings, LLC

- 2) Investor Member (99.989%):

CREA Grand Lake, LLC

- 3) Special Limited Member (0.001%):

CREA SLP, LLC (the "SLP")

- 4) Developer:

HTG Heron Estates Senior Developer, LLC

- 5) General Contractor:

To be determined

- 6) Property Manager:

HTG Management, LLC

- 7) Guarantors will include the Developing Member, Developer, Balogh Family Partnership, LLC and Randy Rieger, as an individual.

c) Project Timeframe

- | | |
|-----------------------------------|------------------|
| 1) Limited Partner Admission Date | December 1, 2016 |
| 2) Closing Date: | June 1, 2017 |
| 3) Construction Completion Date: | August 1, 2018 |
| 4) Qualified Occupancy Date: | December 1, 2018 |
| 5) Stabilized Operations Date: | April 1, 2019 |

d) Tax Credit Delivery and Pricing

The terms and conditions set forth in this Letter of Intent are based upon a financial model initially submitted by the Developer to CREA. Prior to closing, CREA will underwrite the assumptions contained in the financial model and prepare a final financial model which, if acceptable to the Developing Member, will be attached to the fully executed Operating Agreement (the "Financial Forecasts").

Federal Low Income Housing Tax Credits (the "Tax Credits") are expected to be generated by the Company and allocated to the members.

"Projected Tax Credits" means 2016 Federal Low Income Housing Tax Credits from the Florida Housing Finance Corporation (the "State Housing Finance Agency") in an amount equal to:

- 1) \$188,515 (25%) in 2018;
- 2) \$749,117 (100%) in 2019 through 2027; and
- 3) \$560,602 (75%) in 2028

The Financial Forecasts will reflect equity amounts calculated as follows:

LIHTC Equity

2016 Federal LIHTC Reservation:	\$7,491,922
Investor Member Interest:	99.989%
Credit Price:	\$1.14
Total Federal LIHTC Equity:	\$8,539,851

Total Investor Member Equity	\$8,539,851
-------------------------------------	--------------------

CREA SLP, LLC equity:	\$100
------------------------------	--------------

The Total Investor Member Equity assumes an applicable percentage of 3.15% for the New Construction credits

e) Upward Adjusters:

- 1) Upward Capital Adjuster. In the event that the amount of Actual Tax Credits that will be available, based upon the Qualified Basis as of the end of the first year of the Credit Period, the Applicable Percentage, and final allocation of

Tax Credits, is greater than the Projected Tax Credits, the Investor Member will increase its Capital Contribution once in an amount equal to the product of: (i) the amount by which the Actual Tax Credits are greater than the Projected Tax Credits over the Credit Period; and (ii) \$1.14. The Investor Member will pay the amount of such increase at the time of the Stabilization Installment. Notwithstanding the foregoing, in no event will additional Capital Contributions paid pursuant to this Section 1(e) exceed 15% of the Total Investor Member Equity net of any adjusters described in Section 6(a)(3) herein.

- 2) Upward Timing Adjuster. If, in any year prior to 2018, more than 100% of the Projected Tax Credits can be claimed (as determined by the Accountants and acceptable to the SLP) by the Investor Member in the anticipated Fiscal Year, then the Investor Member shall make a Capital Contribution (the "Timing Increase") in an amount equal to \$0.25 for each \$1.00 that the Actual Tax Credits for such years are more than the Projected Tax Credits for such years. The Investor Member shall pay the amount of such Timing Increase at the time of the final Installment. Notwithstanding the foregoing, in no event will additional Capital Contributions paid pursuant to this Section 1(e) exceed \$100,000 in the aggregate net of any adjusters described in Section 6(a)(3) herein.

Notwithstanding the foregoing, the Investor Member may make additional Capital Contributions pursuant to Section 1(e) in excess of the amounts described herein. In the event the additional Tax Credits would cause the additional Capital Contribution to exceed the foregoing cap, and the Investor Member elects not to increase its Capital Contributions by such excess, the excess Tax Credits will be allocated to the Developing Member or its Affiliate and the ownership interests will be modified pursuant to the Operating Agreement.

2) Investor Member's Capital Contribution

- a) Based upon the Financial Forecasts, the Investor Member will make its capital contributions ("Capital Contributions") to the Company in installments (each, an "Installment"), pursuant to the terms and conditions of the Operating Agreement. Each Installment is subject to the Investor Member's receipt of: (i) a satisfactory AIA form (during construction), (ii) a current date down endorsement or updated title report reflecting no adverse title matters, (iii) satisfactory evidence that the Project is In Balance, (iv) evidence that the conditions of all prior Installments have been satisfied, and (iv) the Developing Member's certification that the representations and warranties contained in the Operating Agreement are true and correct as of the date of the Installment. Each Installment will be made within ten (10) business days of the receipt and satisfaction of all items listed below. After confirming receipt, any failure of the Investor Member to respond to the Developing Member's delivery of evidence demonstrating satisfaction of a condition precedent within ten (10) Business Days shall be deemed to be the Investor Member's approval of such condition precedent. Installments will be made as follows:
 - 1) \$1,000 (0.01%), (the "First Installment"), will be funded upon the execution of the Operating Agreement and satisfaction of the following conditions, as determined by the Investor Member, to occur no later than December 31, 2016:
 - a) the Investor Member's admission to the Company and such other diligence that may be required by the Investor Member.
 - 2) \$1,279,978 (14.99%), (the "Second Installment"), will be funded upon the later to occur of June 1, 2017 and satisfaction of the following conditions, as determined by the Investor Member:
 - a) the Investor Member's admission to the Company, if the above admission is a short form Operating Agreement;
 - b) receipt by the Investor Member of due diligence documentation customary to closing the Operating Agreement;
 - c) closing of all Project sources and funding of those sources as required pursuant to the Financial Forecasts;
 - d) receipt of a fixed rate commitment for the Permanent Loan(s);

- e) receipt of any necessary building permits.
- 3) \$853,985 (10.00%), (the "Third Installment"), will be funded upon the later to occur of January 1, 2018 and satisfaction of the following conditions, as determined by the Investor Member:
- a) 50.00% lien-free completion of construction of the Project as certified by the architect (up to \$100,000 of liens may be bonded over);
 - b) execution of a property management agreement if not required at closing.
- 4) \$1,707,970 (20.00%), (the "Fourth Installment"), will be funded upon the later to occur of July 1, 2018 and satisfaction of the following conditions, as determined by the Investor Member:
- a) Lien-free (up to \$100,000 of liens may be bonded over) Construction Completion of the Project sufficient for all residential rental units to be "placed in service" within the meaning of Section 42 of the Code;
 - b) the issuance of all required temporary certificates of occupancy (with all appropriate life and safety certifications) permitting occupancy of all residential rental units;
 - c) architect's substantial completion certification that the Project is completed in accordance with the plans and specifications;
 - d) receipt of certification from the Developing Member that Eligible Basis is sufficient to support the Projected Tax Credits and evidence that the "10% Test" has been met; and
 - e) receipt by the Special Member of satisfactory evidence that all environmental requirements have been met (if applicable).
- 5) \$4,496,918 (52.66%), (the "Fifth Installment"), will be funded upon the later to occur of January 1, 2019 and satisfaction of the following conditions, as determined by the Investor Member:
- a) the achievement of Stabilized Operations (as defined below);
 - b) receipt and approval of the Investor Member's third-party review of all of the first year's tenant files for compliance with the Code and State requirements in accordance with Section 8(c) hereof;
 - c) receipt of the Accountant's final Cost Certification as evidence of Eligible Basis to support the Projected Tax Credits;
 - d) payment in full of the Construction Loan and closing and funding of the Permanent Loans (which may occur simultaneously with the payment of this Third Installment); and
 - e) receipt of the final as-built ALTA survey of the Project.
- "Stabilized Operations" means a 90 consecutive day period following Construction Completion upon which: (i) the Project has achieved Qualified Occupancy, (ii) the Project has achieved physical occupancy of at least 90%, (iii) closing and funding of the Permanent Loan has occurred, and (iv) the Project has satisfied the Debt Coverage Ratio requirement.
- 5) \$200,000 (2.34%), (the "Fifth Installment"), will be funded upon the later to occur of January 1, 2019 and satisfaction of the following conditions, as determined by the Investor Member:
- a) the IRS Form 8609 for all buildings;
 - b) receipt of the approved and recorded Extended Use Agreement; and
 - c) an executed copy of the Deferred Developer Fee Note.

- b) Concurrently with the date a construction draw request is made to a lender, or when an Installment is requested during the construction period, the Developing Member will furnish to the Investor Member a copy of any documents submitted to a lender as part of a construction draw.

2) Project Financing

a) Construction Financing:

- 1) Estimated \$10,000,000 Construction Bonds from a to be determined lender (the "Construction Loan"). The terms and conditions of the Construction Loan and all documentation evidencing the Construction Loan will be subject to the approval of the Investor Member and its Capital Committee in their sole and absolute discretion, not to be unreasonably withheld, conditioned or delayed.

b) Permanent Financing:

- 1) Estimated \$5,300,000 Permanent Loan from a to be determined lender. Such loan will bear a fixed interest rate locked at closing not to exceed 4.25%, will have a term extending at least one year beyond the end of the Compliance Period, will have an amortization of not less than 35 years, and will be a non-recourse loan to the Company and the partners thereof. The Permanent Loan will create a debt coverage ratio of not less than 1.15:1.00 at conversion and not less than a projected 1.10:1.00 during the Compliance Period (the "Debt Coverage Ratio"). Prior to the funding of the Permanent Loan, the principal amount may be increased provided that the Project will still meet the Debt Coverage Ratio (as determined by the Special Member). The terms and conditions of the Permanent Loan and all documentation evidencing the Permanent Loan will be subject to the approval of the Investor Member and its Capital Committee in their sole and absolute discretion, not to be unreasonably withheld, conditioned or delayed.

c) Cash Flow Loans:

- 1) Estimated \$4,971,218 SAIL Loan, which will be a residual receipt, non-recourse (to the Company and members thereof) loan with an interest rate not to exceed 1.00% and a term extending at least one year beyond the end of the Compliance Period. The terms and conditions of this loan and all documentation in connection therewith will be subject to the approval of the Investor Member and its Capital Committee in their sole and absolute discretion, not to be unreasonably withheld, conditioned or delayed.
- 2) Estimated \$75,000 County Loan, which will be a residual receipt, non-recourse (to the Company and members thereof) loan with an interest rate not to exceed 1.00% and a term extending at least one year beyond the end of the Compliance Period. The terms and conditions of this loan and all documentation in connection therewith will be subject to the approval of the Investor Member and its Capital Committee in their sole and absolute discretion, not to be unreasonably withheld, conditioned or delayed.
- 3) Estimated \$1,000,000 Housing Authority Loan, which will be a residual receipt, non-recourse (to the Company and members thereof) loan with an interest rate not to exceed 2.18% and a term extending at least one year beyond the end of the Compliance Period. The terms and conditions of this loan and all documentation in connection therewith will be subject to the approval of the Investor Member and its Capital Committee in their sole and absolute discretion, not to be unreasonably withheld, conditioned or delayed.
- 4) Estimated \$720,500 Supplemental ELI Loan, which will be a residual receipt, non-recourse (to the Company and members thereof) loan with a simple interest rate of 0.00% and a term extending at least one year beyond the end of the Compliance Period. The terms and conditions of this loan and all documentation in connection therewith will be subject to the approval of the Investor Member and its Capital Committee in their sole and absolute discretion, not to be unreasonably withheld, conditioned or delayed.

All loan financing described herein will be structured such that they will be characterized as "true debt" for tax purposes.

3) Developer Fee – Total - \$2,950,312, or amount permitted by the State Housing Finance Agency

In the event that there is a gap between Permanent Sources and Permanent Uses, a portion of the Developer Fee will be pledged as a Permanent Source in the form of Deferred Developer Fee ("DDF"). The DDF is currently estimated at \$181,104 and will bear interest at 1.00%. The remaining portion of the Developer Fee, or \$2,769,208, will be paid as follows (subject to final numbers as FHFC allows up to 65% of Developer Fee to be paid prior to Stabilization):

- | | |
|---|--------------------|
| 1) From the proceeds of the Second Installment: | \$969,223 (35.00%) |
| 2) From the proceeds of the Third Installment: | \$415,381 (15.00%) |
| 3) From the proceeds of the Fourth Installment: | \$692,302 (25.00%) |
| 4) From the proceeds of the Fifth Installment: | \$492,302 (17.78%) |
| 5) From the proceeds of the Sixth Installment: | \$200,000 (7.22%) |

4) Distributions

Subject to any required approvals, Cash Flow generated through achievement of Stabilized Operations, after the payment of any Asset Management Fee, shall be available to the Developer and the Developing Member as an Incentive Leasing Fee for the purposes and subject to the conditions set forth in the Guaranty Agreement and Development Agreement. After achievement of Stabilized Operations, Cash Flow shall be distributed in the following order and priority:

a) Cash Flow will be distributed in the following order and priority:

- 1) To repay any unpaid loans made by the Investor Member or the Special Limited Member;
- 2) To the Investor Member for any Tax Credit adjusters;
- 3) To pay any current and accrued but unpaid Asset Management Fee;
- 4) To pay any DDF plus any accrued interest and then as a return of capital to the Developing Member to the extent of any Developing Member Capital Contribution;
- 5) To the payment of any Cash Flow Loans except as required pursuant to the SAIL Loan and ELI Loan;
- 6) To the Operating Reserve Account until such time as such account is equal to the Operating Reserve Amount and then to the Replacement Reserve Account to replenish expenditures not contemplated in the approved capital budget;
- 7) To the payment of any Developing Member loans;
- 8) To the payment of Deferred Property Management Fees;
- 9) To the Developing Member to repay any guaranty obligation treated as a loan;
- 10) 90.00% of the balance, if any, to the Developing Member as an Incentive Management Fee (but not in excess of 12% of the gross revenues of the Company); provided, however, that in the event the payment of an Incentive Management Fee under this paragraph would exceed 12% of the gross revenues of the Company for the year in question, such excess over 12% will be paid as a distribution to the Developing Member; and
- 11) After making the payments described above, the remaining Cash Flow, if any, will be distributed in accordance with each of the Developing Member's and Investor Member's Company Interest, but in no event will the Investor Member receive less than 10.00% of the Cash Flow after the payment of items 1-9 above.

- b) Net Cash from Sale and Refinance will be distributed in the following order and priority:
- 1) To repay any unpaid loans made by the Investor Member or the Special Limited Member;
 - 2) To the Investor Member for any Tax Credit adjusters;
 - 3) Payment to the Investor Member to cover the Investor Member's Exit Tax liability, if any;
 - 4) To pay any current and accrued but unpaid Asset Management Fee;
 - 5) To pay any DDF plus any accrued interest;
 - 6) To pay Deferred Property Management Fees;
 - 7) To fund reserves for contingent or unforeseen liabilities or obligations of the Company to the extent deemed reasonable by the Investor Member;
 - 8) To the payment of any debts and liabilities (including any unpaid fees) owed to the partners or Affiliates by the Company for Company obligations; provided, however, that the foregoing debts and liabilities owed to the partners and their Affiliates will be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable; (i) unpaid Developing Member loans and (ii) unpaid Operating Deficit Loans; and
 - 9) After making the payments specified above, the balance of Net Cash from Sale and Refinance, if any, will be distributed 90.00% to the Developing Member and 10.00% to the Investor Member.
- c) Notwithstanding the above, the Developing Member may, in its discretion, make either annual or quarterly distributions of Cash Flow. If the Developing Member elects to made annual distributions of Cash Flow, the distributions shall be made on a date (the "**Annual Distribution Date**") that is within sixty (60) days after the end of the Fiscal Year (but in no event shall the Annual Distribution Date be earlier than the date on which the Company files a Company Tax Return for such Fiscal Year). If the Developing Member elects to make quarterly distributions, the distributions shall be made on March 31, June 30, September 30 and December 31 of each Fiscal Year. If the Developing Member elects to make quarterly distributions, the Accountants shall, as part of their audit for each Fiscal Year, estimate the Cash Flow that will be available for the immediately succeeding Fiscal Year (the "**Estimated Cash Flow**"). The Estimated Cash Flow shall be based on, among other things the annual pro forma budget furnished to and approved by the Investor Member. Each quarterly distribution shall be equal to 18.75% of the Estimated Cash Flow for such year. The Developing Member shall also require the Accountants to include, as part of their audit, a reconciliation of the aggregate Cash Flow actually distributed on a quarterly basis during the Fiscal Year.

If the sum of the actual quarterly distributions is less than the distributable Cash Flow as calculated by the Accountants, the Developing Member shall distribute the additional Cash Flow on the Annual Distribution Date. If the sum of the actual quarterly distributions is more than distributable Cash Flow as calculated by the Accountants, the Developing Member and Investor Member shall within thirty (30) days after receipt of the Accountant's audit, reimburse the Company for any of such excess to the extent that such excess was distributed to such party. Any distribution of Cash Flow, whether annual or quarterly, shall be in the order of priority set forth herein Section 5.

5) Guaranties

- a) The Guarantors will maintain aggregate liquidity of at least \$500,000 and net worth of at least \$2,500,000 throughout the Compliance Period. The representations, warranties and obligations of the Guarantors will be further detailed in the Operating Agreement and Guaranty Agreement and include, but are not limited to:
- 1) Recapture of Tax Credits throughout their respective Compliance Periods;

- 2) The payment in full of all costs of the development of the Project in excess of budgeted permanent sources, and payment of all operating expenses of the Project through achievement of Stabilized Operations (the "Completion Guaranty");
- 3) The payment of any shortfall in Tax Credits resulting from:
 - a) Permanent Reduction in Credit: Unless caused by a change in tax law, if an event occurs which affects the delivery of the aggregate Tax Credits then the Investor Member's capital contribution will be reduced by an amount equal to the product of (i) the Permanent Credit Shortfall (as defined herein) and (ii) the price paid for the Tax Credit. The "Permanent Credit Shortfall" will mean the amount by which the Actual Tax Credits are or will be less than the Projected Tax Credits over the Credit Period. If a Permanent Reduction in Credit arises solely due to a change in tax law that the Company, despite its best efforts to comply, is unable to comply with, then any such Credit Reduction Payment (as defined below) will be paid solely as provided in Section 5 herein.
 - b) Downward Timing Adjuster: If the Actual Tax Credits are less than Projected Tax Credits in the first year of the Credit Period then the Investor Member's capital contribution will be reduced by an amount equal to the product of (i) the Deferred Credit Amount (as defined herein) and (ii) \$0.35. The "Deferred Credit Amount" will mean the amount of credits that are due in the current year but delayed to a subsequent year. Such amounts not able to be offset will be immediately due and owing (without any right of reimbursement or Capital Contribution credit) from the Guarantors to the Investor Member.
 - c) Tax Credit Shortfall: If, for any Fiscal Year, for any reason whatsoever, except a change in tax law, and not otherwise cured pursuant to Sections 6(a)(3)(a) & (b) herein, (1) the Actual Tax Credits are, on a cumulative basis, less than the Projected Tax Credits (as adjusted in any revised Financial Forecast) for such Fiscal Year, or (2) a Investor Member is required to recapture (resulting from other than a transfer of part or all of the Investor Member's Company Interest) all or any part of the Tax Credits claimed by it in any prior Fiscal Year of the Company ("Tax Credit Shortfall"), then the Developing Member and Guarantors will be obligated, subject to the limitations expressed in the Operating Agreement, to pay to the Investor Member the amount equal to the sum of (I) \$1.14 for each \$1.00 that the Actual Tax Credits for such Fiscal Year is less than the Projected Tax Credits for the Fiscal Year, including any reduction as a result of a Recapture Event, (II) the amount of any interest and/or penalties paid or payable by the Investor Member as a result of any Recapture Event affecting the foregoing calculation of the Tax Credits recaptured in such Fiscal Year and (III) 6% of the amounts in clauses (I) and (II) per annum commencing on the date of the Tax Credit Shortfall and continuing until the payment of the amount of such reduction in full ("Credit Reduction Payment") unless due to a change in tax law. If a Tax Credit Shortfall arises solely due to a change in tax law that the Company, despite its best efforts to comply, is unable to comply with, then any such Credit Reduction Payment will be paid solely as provided in Section 5 herein.
 - d) Any reduction resulting from an event described in paragraphs (a), (b), or (c) directly above will be applied by decreasing the amount of the Investor Member's Capital Contribution installment next due, and, if necessary, further installments (reducing the earliest ones first) by the amount of such adjustment. Any amount not able to be offset will be immediately due and owing within 45 days (without any right of reimbursement or Capital Contribution credit) from the Guarantors to the Investor Member.
- 4) The payment of any Operating Deficits up to an aggregate amount of \$425,000 through non-interest bearing loans (the "Operating Deficit Loans") during the three (3) year period following the achievement of Stabilized Operations (the "Operating Deficit Guaranty Period"); provided, however, that the Operating Deficit Guaranty Period will not expire prior to verification that: (1) the Operating Reserve balance is equal to, or greater than, the initial Operating Reserve amount, (2) the Project has achieved a Debt Coverage Ratio of at least 1.15:1.00 for the twelve (12) month period preceding the expiration of the Operating Deficit Guaranty Period, and (3) any and all subsidy contracts are in good standing and extend through the end of the initial Compliance Period. Notwithstanding the foregoing, the Developing Member's obligation to guarantee the Operating Deficit Loans will be unlimited (in amount, duration, and otherwise) and such obligation will not be affected by any limitation

applicable to the other Guarantors. The Operating Reserve may be used to satisfy Operating Deficits in advance of a guaranty payment under the Operating Deficit Guaranty;

- 5) The obligations of the Borrower to fund any Permanent Loan shortfall at Stabilization.
- 6) The Repurchase Obligations described below.
- 7) The funding of the Operating Reserve.
- 8) The payment of any Cash Flow shortfall as contemplated in Section 5(c).

All of the representations, warranties and obligations included in the Operating Agreement and Guaranty Agreement, including without limitation, the environmental indemnity of the Developing Member will be guaranteed, jointly and severally, by the Guarantors.

6) Repurchase Obligations

In the event of a failure to satisfy certain requirements as set forth in the Operating Agreement, including, but not limited to, those listed below, the Investor Member will not be required to advance any unpaid Capital Contribution and the Developing Member and Guarantor may be required to repurchase the Investor Member's interest for an amount equal to: (1) the sum of all Capital Contributions actually made to the Company by the Investor Member, less tax credit benefits received multiplied by the Credit Price, with interest at the rate of six percent (6%) per annum calculated from the date of such Capital Contributions, plus (2) all reasonable actual expenses incurred by the Investor Member in connection with the closing of the Company and caused by such repurchase.

- a) Construction Completion and placement in service of all buildings is not achieved on or before the earlier of: (1) six (6) months following the Completion Date or (2) the date required under the Code to preserve the Tax Credits;
- b) Qualified Occupancy does not occur within six (6) months of the Qualified Occupancy Date (unless any adjusters are timely paid);
- c) Any acceleration of a Project Loan or the commencement of any action to foreclose any mortgage covering the Project prior to the expiration of the Operating Deficit Guaranty Period provided that the aggregate Operating Deficit Guaranty amount has not been exceeded;
- d) Failure to meet the "50% Test";
- e) Failure to achieve conversion of the Construction Loan to the Permanent Loan;
- f) Unless cured pursuant to Section 6(a)(3)(b) herein, the Investor Member is not allocated at least seventy percent (70.00%) of the Projected Tax Credits in any given year; or
- g) The Company does not receive the fully executed IRS Form(s) 8609 to comply with the requirements of the Code and the State Housing Finance Agency.

7) CREA Fees

- a) The Company will pay an annual Asset Management Fee of \$5,000, increasing by 2.00% per annum (the "AMF"), which AMF will be earned by the Asset Manager beginning on the first day of the first month after the Project is Placed in Service (with a pro-rata share of such fee earned for any partial calendar year). The AMF is payable pursuant to Section 5 herein and will accrue without interest until there is sufficient cash available to pay any current and accrued AMF.
- b) The Partnership will pay CREA a Due Diligence Reimbursement of \$25,000 from the proceeds of the First Installment.

- c) The Company, in lieu of a one-time initial lease review fee of \$30/unit, will use an approved third party reviewer to verify achievement of Qualified Occupancy. Spectrum, AJ Johnson and Windsor/RealPage are approved third party vendors and other proposed vendors are subject to the reasonable approval of the Investor Member during its underwriting.
- d) The Investor Member will select an inspecting representative for the Project to perform inspections for the sole benefit of the Investor Member (the "Inspecting SLP Representative"). The Inspecting SLP Representative will perform a site inspection for the funding of each Installment during the construction period, and the Company will pay CREA a construction review fee of \$750 per inspection. Furthermore, the SLP will be invited by the Developing Member to all monthly construction progress meetings and the SLP may reasonably require the Inspecting SLP Representative to attend such meetings.

8) Other Matters

- a) The Management Fee will not exceed the maximum amount permitted by the State Housing Finance Agency. The Management Fee is currently estimated at 5.00% of gross collected rents. The Management Fee may be subject to change pending the final underwriting by CREA. If the Management Agent is an affiliate of the Developing Member, Developer or any Guarantor, the Management Agent will be required to defer and accrue, without interest, its Management Fee in order for the Project to maintain the minimum Debt Coverage Ratio requirement. Any deferred and accrued Management Fee will be paid pursuant to Section 5.
- b) The Company will establish the Operating Reserve in the amount of 3 months of underwritten Operating Expenses and must pay debt service. Based on the information provided to date, the Operating Reserve is currently calculated at \$212,537, which amount remains subject to final underwriting. The Operating Reserve will be funded out of the proceeds of the Fourth Installment. The Operating Reserve will be held in the Operating Reserve Account at a bank selected by the Investor Member, which account will require the prior written consent of the Investor Member for withdrawals which shall not be unreasonably withheld and will be maintained during the Compliance Period. The Operating Reserve will be used to fund Operating Deficits as they occur and will be replenished pursuant to Section 5.
- c) The Company will establish and maintain an annual Replacement Reserve equal to the greater of: (1) the amount required by the Lender; (2) the amount required by the State Housing Finance Agency and (3) \$300 per unit per annum, or such greater amount as CREA may reasonably require following its review of the construction documents prior to closing. On the sixth and eleventh anniversary of the completion of construction of the Project, the Investor Member will have the right to perform a deferred maintenance inspection which may result in the need to perform a physical needs assessment of the Project pursuant to which the amount reserved on a monthly basis may be increased. The cost of the foregoing physical needs assessment will be at the sole expense of the Investor Member.
- d) Distributions of cash and allocations of income gain or loss will be in accordance with tax law.
- e) The Developer utilizes the Cash Basis of accounting. The Developing Member utilizes the Accrual Basis of accounting.
- f) The Project will incorporate the following estimated MACRS depreciation schedule for federal income tax purposes beginning at the time the building is Placed in Service:

1) Personal Property (5-year, 200% Declining Balance):	\$1,851,678
2) Site Work (15-year, 150% Declining Balance):	\$2,222,014
3) Real Property (40-year, Straight Line):	\$14,443,090
- g) The Company will obtain insurance coverage, at the expense of the Company, satisfactory to the Investor Member.
- h) The Company will obtain an ALTA owner's title insurance policy, at the expense of the Company, in an amount equal to the total development costs.

- i) The Developing Member will arrange for a fixed or guaranteed maximum price construction contract in the anticipated amount of \$12,110,526. The General Contractor will provide the Company (in form satisfactory to the Investor Member) a: (1) Payment & Performance Bond in the amount of the Construction Contract; or (2) Letter of Credit in the amount of 15.00% of the Construction Contract. The Project will establish a construction contingency in an amount not less than 5% of the Construction Contract, or such greater amount as CREA may reasonably require following its review of construction documents. CREA, may, in its sole discretion, engage a construction consultant (i) to review plans and specifications and (ii) evaluate the construction progress by providing monthly reports to the Company.
- j) The fees paid to the Developing Member, Developer and General Contractor and/or any affiliates will have been disclosed in the LIHTC Application and will be within the limits set forth in the applicable Qualified Allocation Plan.
- k) **Cost Savings.** Cost Savings are subject to the Consent of the Investor Member and will be determined at the time of the final Cost Certification. Cost Savings will be applied in the following order: (i) a reduction in the DDF, (ii) a reduction in the Permanent Loan amount, (iii) to capital improvements, (iv) other costs acceptable to the State Housing Finance Agency, and (v) the balance, if any, will be distributed as Cash Flow pursuant to Section 5 herein.
- l) **Call Option.** Beginning in the year following the expiration of the Credit Period, the Developing Member shall have the option, but not the obligation, to acquire the Investor Member's interest in the Company for a price equal to the greater of: (1) the fair market value of such interest; and (2) the sum of any amounts owed to the Investor Member from IM loans or adjusters and any amount equal to the amount of any federal, state or local tax liability which would be imposed upon any Investor Member as a result of the sale or refinancing, assuming that any Investor Member is subject to the highest marginal federal, state and local income tax rates ("Exit Taxes"). The Developing Member's exercise of this option to purchase shall be contingent on (1) the Investor Members' approval of the financial position of the Developing Member and Guarantors, (2) achievement of a 1.15 Debt Coverage Ratio for the Project Property for the twelve (12) month period immediately preceding the exercise of the option, and (3) execution and delivery of an indemnification agreement by the Developing Member and Guarantors in favor of, and in form and substance reasonably acceptable to, the Investor Member and Special Limited Member with respect to any Tax Credit Recapture Events impacting the Project.
- m) **Loss Option.** Upon the expiration of the Credit Period, the Investor Member or Developing Member will have the exercisable right and option to allocate losses to the Developing Member. The terms and conditions of the mutually acceptable Loss Option will be more fully described in the Operating Agreement.
- n) **Put Option.** In any calendar year after the expiration of the Credit Period, both the Developing Member and the Special Limited Member will have the exercisable right and option, but not obligation, to require the Investor Member to purchase their respective Company Interest at a price equal to \$100. The terms and conditions of the mutually acceptable Put Option will be more fully described in the Operating Agreement.
- o) **Developing Member Option.** Upon expiration of the Compliance Period and provided that the Investor Member has failed to exercise the Put Option, the Developing Member will have the option (commencing on the day following the end of the Compliance Period and exercisable within two years) to acquire the interest of the Investor Member and the Special Limited Member for an amount equal to the greater of (i) the fair market value less a 5% Developing Member Fee (subject to tax counsel approval) or (ii) the sum of outstanding debt, tax credit adjusters and exit taxes.

9) Miscellaneous

- a) The Investor Member's willingness to make the investment described in this proposal is subject to:
 - 1) a satisfactory site visit;
 - 2) the accuracy and verifiability of the information provided to the Investor Member by the Developer and Developing Member;
 - 3) no adverse change in the information provided to CREA or a change in tax law;

- 4) the satisfactory completion and approval of the financial information and due diligence documentation for the Project;
 - 5) the mutual agreement by and between the Investor Member and Developing Member on the terms of the closing documents; and
 - 6) the approval of the Investor Member's Capital Committee.
- b) The Developer and the Developing Member hereby certify that there are no other executed equity proposals with respect to the Project. Should any signed proposals or agreements exist, the Developer and Developing Member will fully indemnify, defend and hold harmless the Company, the Investor Member (and its affiliates) and CREA (and its affiliates) from any lawsuits or damages that may result from the termination of said proposals or agreements.
- c) The signatories will not solicit or entertain other offers by other parties to acquire an interest in the Company during the term of this Agreement. This Letter of Intent is delivered to you with the understanding that neither it nor its substance will be disclosed to any third party except those who are in a confidential relationship with you or as required by law.
- d) This proposal must be executed by the parties and received by CREA within fourteen (14) business days of the date of this Letter or this proposal is subject to renegotiation.
- e) The term of this Letter of Intent will be for a period of 365 days, with execution of the Operating Agreement and closing of construction financing occurring prior to expiration of such period. Any delay in closing may result in an adjustment in the Investor Member's contribution amount, terms and conditions as are set forth herein. If due diligence activities and negotiation of the Company and ancillary documents extend beyond such date, the parties will continue to negotiate the same in good faith, but will not be bound hereunder.
- f) While this Letter of Intent does contain a general understanding of the business terms between you and CREA, it does not contain all of the business terms that will be set forth in the Operating Agreement. Therefore, CREA's obligations under this proposal are subject to the terms of the mutually acceptable Operating Agreement.

[Signature Pages Follow]

Heron Estate Senior
Riviera Beach, FL
October 11, 2016
Page 13 of 14

If the above is acceptable, please return one (1) original or electronic copy of your signature to the undersigned. Upon receipt, CREA will begin processing the Operating Agreement and related documents in accordance with the terms and conditions contained in this proposal.

Thank you for your consideration and we sincerely appreciate the opportunity to work with you.

Very truly yours,

CREA, LLC

By: _____

Name: Mike Boyle
Title: Vice President

Heron Estate Senior
Riviera Beach, FL
October 11, 2016
Page 14 of 14

By executing this Letter of Intent and in consideration of CREA entering into this proposal, you agree on your own behalf and on behalf of your partners, affiliates, officers, directors and employees, and on behalf of any other partners or joint venturers who are or will be involved in the development of the Project, that CREA may undertake credit, background and similar checks on you, your principals and your affiliated companies.

The foregoing is hereby agreed to and confirmed:

DEVELOPING MEMBER

HTG Heron Estates Senior, LLC

Heron Estates Senior Member, LLC

By: _____

Name: _____

Title: _____

Matthew Rieger
Manager

DEVELOPER

HTG Heron Estates Senior Developer, LLC

By: _____

Name: _____

Title: _____

Matthew Rieger
Manager

EXHIBIT D

2015 IRS SECTION 42(d)(5)(B) METROPOLITAN DIFFICULT DEVELOPMENT AREAS

(OMB Metropolitan Area Definitions, December 1, 2009 [MSA] and derived FY2014 HUD Metro FMR Area Definitions [HMFA])

State	Metropolitan Area	Metropolitan Area Components			
Alaska	Fairbanks, AK MSA	Fairbanks North Star Borough			
Arizona	Flagstaff, AZ MSA	Coconino County			
	Yuma, AZ MSA	Yuma County			
Arkansas	Hot Springs, AR MSA	Garland County			
California	Los Angeles-Long Beach, CA HMFA	Los Angeles County			
	Napa, CA MSA	Napa County			
	Oakland-Fremont, CA HMFA	Alameda County	Contra Costa County		
	Orange County, CA HMFA	Orange County			
	Oxnard-Thousand Oaks-Ventura, CA MSA	Ventura County			
	Redding, CA MSA	Shasta County			
	Riverside-San Bernardino-Ontario, CA MSA	Riverside County	San Bernardino County		
	Salinas, CA MSA	Monterey County			
	San Diego-Carlsbad-San Marcos, CA MSA	San Diego County			
	San Francisco, CA HMFA	Marin County	San Francisco County	San Mateo County	
	Santa Barbara-Santa Maria-Goleta, CA MSA	Santa Barbara County			
Santa Cruz-Watsonville, CA MSA	Santa Cruz County				
Florida	Deltona-Daytona Beach-Ormond Beach, FL MSA	Volusia County			
	Fort Lauderdale, FL HMFA	Broward County			
	Miami-Miami Beach-Kendall, FL HMFA	Miami-Dade County			
	North Port-Bradenton-Sarasota, FL MSA	Manatee County	Sarasota County		
	Ocala, FL MSA	Marion County			
	Orlando-Kissimmee-Sanford, FL MSA	Lake County	Orange County	Osceola County	Seminole County
	Palm Coast, FL MSA	Flagler County			
	Tampa-St. Petersburg-Clearwater, FL MSA	Hernando County	Hillsborough County	Pasco County	Pinellas County
	West Palm Beach-Boca Raton, FL HMFA	Palm Beach County			
Hawaii	Honolulu, HI MSA	Honolulu County			
New Jersey	Atlantic City-Hammonton, NJ MSA	Atlantic County			
	Jersey City, NJ HMFA	Hudson County			
	Vineland-Millville-Bridgeton, NJ MSA	Cumberland County			
New York	New York, NY HMFA	Bronx County	Kings County	New York County	Putnam County
		Queens County	Richmond County	Rockland County	Westchester County
Pennsylvania	Pike County, PA HMFA	Pike County			
Texas	Odessa, TX MSA	Ector County			
Vermont	Burlington-South Burlington, VT MSA	Bolton town	Buels gore	Burlington city	Charlotte town
		Colchester town	Essex town	Hinesburg town	Huntington town
		Jericho town	Milton town	Richmond town	St. George town
		Shelburne town	South Burlington city	Underhill town	Westford town
		Williston town	Winooski city	Bakersfield town	Berkshire town
		Enosburg town	Fairfax town	Fairfield town	Fletcher town
		Franklin town	Georgia town	Highgate town	Montgomery town
		Richford town	St. Albans city	St. Albans town	Sheldon town
		Swanton town	Alburg town	Grand Isle town	Isle La Motte town
		North Hero town	South Hero town		
Puerto Rico	Arecibo, PR HMFA	Arecibo Municipio	Camuy Municipio	Hatillo Municipio	
	Guayama, PR MSA	Arroyo Municipio	Guayama Municipio	Patillas Municipio	

EXHIBIT E



February 22, 2017

HTG Heron Estates Senior, LLC
C/o Matthew Rieger, Executive
Housing Trust Group, LLC
3225 Aviation Avenue, Suite 602
Miami, FL 33133

**Re: Heron Estates Senior Apartments
West 17th Court and North Congress Avenue
Riviera Beach, Palm Beach County 33404**

Dear Mr. Rieger:

Thank you for considering JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or "Lender") as a potential construction and permanent lender for the development of affordable rental housing at Heron Estates Senior Apartments, Riviera Beach, Florida. We have completed a preliminary review of the materials you have submitted, and the following is a brief outline of the terms that we propose to underwrite for credit approval. Of course, this letter is for discussion purposes only and does not represent a commitment by JPMorgan Chase to provide financing for the project nor an offer to commit, but is rather intended to serve as a basis for further discussion and negotiation should you wish to pursue the proposed transaction. Our interest and preliminary terms are subject to change as our due diligence and discussions with you continue. Such a commitment can only be made after due diligence materials are received, reviewed and approved and credit approval has been obtained.

Facilities: JPMorgan Chase will purchase tax exempt bonds in the amount of **\$13,500,000**, the proceeds of which will fund construction and permanent loans to the Borrower. Upon meeting the conditions required for the permanent period, the Construction Loan will convert to a Permanent Loan in an amount currently estimated in the amount of **\$5,850,000**.

Borrower: HTG Heron Estates Senior, LLC

Developer: HTG Heron Estates Senior Developer, LLC

Project: Heron Estates is a proposed 101-unit affordable 3-story multi-family rental development that will be targeted towards seniors and located in Riviera Beach, Palm Beach County, Florida.

Construction Loan

Amount: Up to \$13,500,000; subject to final budget, sources and uses of funds, and LIHTC equity pay-in schedule.

Initial Term: 24 months.

Interest Rate: Interest on the Construction Loan is payable monthly. The applicable interest rate for the Construction Loan shall be one-month LIBOR plus 1.75%, adjusted monthly on a 360-day basis. (2.53% as February 22, 2017).

JPMorgan Chase Bank, N.A. • 100 North Tampa Street, 33rd Floor, Tampa, FL 33602
Telephone: 813.483.8297 • tammy.haylock-moore@chase.com

Commitment Fee:	.90% of the loan amount.
Extension Option:	One, conditional, six-month maturity extension.
Extension Fee:	0.25% of the remaining loan commitment amount.
Collateral:	First mortgage; other typical pledges and assignments.
Guarantee:	Full payment and completion guarantees and environmental indemnity by a guarantor or guarantors/indemnitor(s) satisfactory to JPMorgan Chase.
Developer Fee:	Assigned to Lender. Notwithstanding provisions of the LP or LLC Agreement, any payments of developer fee prior to permanent debt conversion are subject to Lender's prior approval and control.
Tax Credit Equity:	At least 15% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to the Lender.
Subordinate Liens:	Subordinate financing will be permitted subject to approval of terms by JPMorgan Chase.
Repayment:	Construction Loan will be repaid with principal reductions from equity funded at or subsequent to construction completion and the Permanent Loan.
Loan to Value:	Up to 80% including the value of the real estate and tax credits.
Contract Bonding:	100% Payment and Performance Bonds from "A" rated surety

Permanent Loan

Amount:	\$5,850,000 subject to final underwriting.
Funding:	24 months after Construction Loan closing an amount of the Construction Loan equal to the Permanent Loan amount will convert to a fixed interest rate. The interest-only period may be extended for 6 months.
Commitment Fee:	.75% of the Permanent Loan amount payable at Construction Loan closing.
Interest Rate:	The applicable interest rate for the Permanent Loan shall be locked at Construction Loan closing. Current Indicative Rate is 4.70%. Please note that credit markets are volatile. Loan fees and interest rates are subject to adjustment prior to commitment.
Term:	15 years.
Amortization:	35 years.
Collateral:	First mortgage; other typical pledges and assignments.

Guarantee: After conversion, the Permanent Loan shall be non-recourse to the Borrower, except as to standard carve-outs for the Borrower, General Partner, and Key Principals.

Loan to Value: Up to 80% of the stabilized rent-restricted value.

Conversion Requirements:

- 1.20x debt service coverage ratio (DSCR); 1.15x all-in DSCR including all loans requiring hard debt service payment. Commercial income and soft debt service payment will be excluded from DSCR analysis.
- 90% economic and physical occupancy for 90 days.
- 10-year pro forma forecast shows annual DSCR (based on annual revenue growth of 2% and annual expense growth of 3%) of 1.0x or greater, else the Permanent Loan amount may be resized at conversion.

Prepayment Terms: Prepayments are subject to yield maintenance, *the greater of 1% or then* except for the last five years of the term. *During the last five years, the prepayment fee will be 1% of the loan balance.* There is no prepayment fee during the final 90 days of the term.

Escrows/Reserves: Bank controlled escrows required for property taxes, insurance, and replacement reserves. Minimum replacement reserve of \$300/unit/year funded at conversion with 3-month initial deposit. A non-bank controlled operating reserve equal to three months of operating expenses and debt service payments, to stay in place for the life of the loan, is required. *the last 5 years then*

We appreciate the opportunity to discuss the possibility of providing construction and permanent financing for the proposed project with you. This letter of interest is for your, the local subsidy allocating agency and Florida Housing Finance Corporation's information and use only, and is not to be shown to or relied upon by other parties. Please note that JPMorgan Chase and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein or otherwise. JPMorgan Chase and its affiliates may share information about you in connection with the potential transaction or other possible transactions with you.

This letter, which expires on December 31, 2017, is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender will provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. We look forward to working with you on this transaction.

Sincerely,

JPMORGAN CHASE BANK, N.A.

By: 
Tammy Haylock-Moore, Authorized Officer

Agreed and Accepted By:

HTG Heron Estates Senior, LLC

By: 
Matthew Rieger
Title:

Date: 2/22/17

Manager of HTG Heron Estates Senior Manager, LLC

EXHIBIT F

Heron Estates Senior - Palm Beach - Elderly

Project Setup

Project Information				Timing		Units	Date	Elapsed Months	Cumulative Months
Project Name	Heron Estates Senior	Demographic	Elderly	Predevelopment Start Date			Dec-15		
City, State	Riviera Beach	Land (Acres)	9	Closing Date			Aug-17		
County	Palm Beach	Max Density	101	First Unit Occupied (# of Occupied upon initial C/O)		30	Oct-18	14	14
Developer	HTG Heron Estates Senior Developer, LLC	Zoning	M-12	Last Unit Occupied (# of Occupied per month)		25	Jan-19	3	17
Ownership Entity	HTG Heron Estates Senior, LLC	Address	Congerss Ave	Permanent Loan Closing Date			Apr-19	3	20

Deal Info		Unit Type	Sq Ft.	Units	% Units	% Income	Utility All.	Set Aside	% Units	% Income	% of Sq Ft
Deal Type:	4%	Studio	0	0	0%		\$0.00	33%	11%	4%	11%
Acquisition:	No	1/1	738	81	80%		\$101.00	50%	0%	0%	0%
Project Type:	NC Garden Concrete	2/2	973	20	20%		\$113.00	60%	89%	96%	89%
# of Buildings:	1	3/2	1,050	0	0%		\$0.00	Market	0%	0%	0%
# of Floors:	3										
# of Elevators:	2										
		Total	785	101	100%	0%		% Affordable	100%	100%	100%

HUD Schedule water and sewer with Malibu Electric UA study by Todd Stoltz

Residential Rent Schedule	# of Units	Rent Limit	Unit Sq. Ft.	Market Rents	Actual Rent	Net Rent	Total Rent Monthly	Total Rent Annual	Total Sq. Ft.	Rent P.S.F.	Rent Per Unit
1/1	22	60%	738		\$810	\$709	\$15,598	\$187,176	16,236	\$0.96	\$8,508
1/1	9	33%	738		\$445	\$344	\$3,096	\$37,152	6,642	\$0.47	\$4,128
1/1	50	60%	738	PBRA	\$1,194	\$1,093	\$54,650	\$655,800	36,900	\$1.48	\$13,116
2/2	2	33%	973		\$534	\$421	\$842	\$10,104	1,946	\$0.43	\$5,052
2/2	18	60%	973		\$972	\$859	\$15,462	\$185,544	17,514	\$0.88	\$10,308
Total	101		79,238			\$7,306	\$89,648	\$1,075,776	79,238	\$1.13	\$10,651

Operating Expenses	Total	Per Unit	P.S.F. (rentable)	Notes
Management Fee (% of EGI)	73,151	\$724	\$0.92	7.00%
Admin	38,029	\$377	\$0.48	
Contracted Services	22,654	\$224	\$0.29	
Leasing and Marketing	13,478	\$133	\$0.17	
Maintenance	11,508	\$114	\$0.15	
Payroll	134,805	\$1,335	\$1.70	
Utilities	49,251	\$488	\$0.62	
Real Estate Taxes	90,900	\$900	\$1.15	
Insurance	90,900	\$900	\$1.15	
Replacement Reserves	30,300	\$300	\$0.38	
Sail/Bond Fees	20,475	\$203	\$0.26	
Other	-	\$0	\$0.00	
Total	575,452	\$5,698		
Purchase Price	\$1,000,000	\$9,901	\$12.62	
Senior Debt Service Coverage		1.28x		
Total Debt Service Coverage		1.27x		

Operating Assumptions	Per Year	Total
Vacancy Rate	5%	53,789
Rental Income Growth	2%	
Other Income Growth	2%	
Expense Growth	3%	

Parking Income	Factor	Spaces	Rent/month	Total/month	Per Annum
Included in Rent	1.6	162	\$0	\$0	\$0
Available for Rent		0	\$0	\$0	\$0
Vacancy	20%		\$0	\$0	\$0
Net Total		162	\$0	\$0	\$0

Other Income	Unit/mo	%	Unit/yr	Per Annum
Laundry	\$35	50%	\$210	\$20,150
Other	\$5	50%	\$30	\$2,879
Other	\$0	0%	\$0	\$0
Other	\$0	0%	\$0	\$0
Other	\$0	0%	\$0	\$0
Total Other Income	\$40		\$240	\$23,028

Heron Estates Senior - Palm Beach - Elderly Sources & Uses

Sources	Ref.	Permanent Phase		
		Total	%	Per Unit
Debt				
Construction Loan	3.50%	\$0	0.00%	-
Permanent Loan 1	5.30%	\$5,850,000	27.22%	57,921
SAIL	97300.00%	\$4,971,218	23.13%	49,220
County Loan	1.00%	\$115,000	0.54%	1,139
HA Loan		\$1,000,000	4.65%	9,901
ELI		\$720,500	3.35%	7,134
Tax Credit Equity				
LIHTC LP Equity	\$1.14	\$8,734,000	40.64%	86,475
Deferred Developer Fee		\$100,831	0.47%	998
Total Sources		\$21,491,549	100%	212,788

Construction Phase		
Total	%	Per Unit
\$11,500,000	51.98%	113,861
\$0	0.00%	-
\$4,971,218	22.47%	49,220
\$0	0.00%	-
\$1,000,000	4.52%	9,901
\$720,500	3.26%	7,134
3,930,300	17.77%	38,914
\$0	0.00%	-
\$22,122,018	100%	219,030

Uses	Ref.	Permanent Phase		
		Total	%	Per Unit
Hard Construction Costs		\$11,842,105	55.1%	\$117,249
GC Profit		\$710,526	3.3%	\$7,035
GC General Requirements		\$710,526	3.3%	\$7,035
GC Overhead		\$236,842	1.1%	\$2,345
Recreational / Owner Items		\$150,000	0.7%	\$1,485
Off-Site Improvements / acre		\$100,000	0.5%	\$990
Hard Cost Contingency @:	5.0%	\$675,000	3.1%	\$6,683
Other		\$0	0.0%	\$0
Construction Interest Expense		281,896	1.3%	\$2,791
Bridge Loan Interest Expense		-	0.0%	\$0
Other Interest Expense		\$0	0.0%	\$0
Permanent Loan Origination Fee		\$58,500	0.3%	\$579
Permanent Loan Closing Costs		\$11,700	0.1%	\$116
Construction Loan Origination Fee		\$115,000	0.5%	\$1,139
Construction Loan Closing Costs		\$23,000	0.1%	\$228
Other Loan Closing Costs		\$0	0.0%	\$0
Costs of Issuance		\$245,075	1.1%	\$2,426
Accounting Fees		\$35,000	0.2%	\$347
Application Fees		\$0	0.0%	\$0
Appraisal		\$10,000	0.0%	\$99
Architect Fee-Design	1.50%	\$202,500	0.9%	\$2,005
Architect Fee-Supervision		\$50,000	0.2%	\$495
Builder's Risk Insurance	1.00%	\$118,421	0.6%	\$1,172
Building Permit	\$1,200	\$121,200	0.6%	\$1,200
Brokerage Fee		\$0	0.0%	\$0
Credit Underwriting Fee		\$15,015	0.1%	\$149
Engineering Fee		\$40,000	0.2%	\$396
Environmental Report		\$10,000	0.0%	\$99
FHFC Administrative Fees	9.00%	68,960	0.3%	\$683
FHFC Application Fees		\$4,000	0.0%	\$40
FHFC Compliance Mon. Fee		90,000	0.4%	\$891
Impact Fees (Detail)		205,136	1.0%	\$2,031
Inspection Fees		\$60,000	0.3%	\$594
Insurance- Property/Liability		90,900	0.4%	\$900
Legal Fees- Partnership		\$150,000	0.7%	\$1,485
Legal Fees- Other		\$100,000	0.5%	\$990
Market Study		\$10,000	0.0%	\$99
Marketing/Advertising + Lease Up		\$100,000	0.5%	\$990
Property Taxes		90,900	0.4%	\$900
Soil Test Report		\$10,000	0.0%	\$99
Survey(including as-built)		\$25,000	0.1%	\$248
Title Insurance & Recording		\$184,565	0.9%	\$1,827
Utility Connection Fee		\$212,100	1.0%	\$2,100
Plan and Cost Review		\$5,000	0.0%	\$50
NGBS/LEED Certification	250	\$25,250	0.1%	\$250
Contingency (Soft Cost)	5.00%	\$101,697	0.5%	\$1,007
Sub-Total		\$17,295,815	80.5%	\$171,246
Existing Buildings, Owned		\$0	0.0%	\$0
Existing Buildings, To be Acquired		\$0	0.0%	\$0
Other Acquisition Costs		\$0	0.0%	\$0
Operating Deficit Reserve (6M OpEx & Debt Service)		\$471,643	2.2%	\$4,670
Land, To be Acquired		\$1,000,000	4.7%	\$9,901
Other Land Costs		\$0	0.0%	\$0
Developer's Admin. & Overhead	0.0%	\$0	0.0%	\$0
Developer's Profit Acquisition	0.0%	\$0	0.0%	\$0
Developer's Profit	15.8%	\$2,724,091	12.7%	\$26,971
Total Project Cost		\$21,491,549	100.0%	\$212,788

Construction Phase		
Total	%	Per Unit
\$11,842,105	58.2%	\$117,249
\$710,526	3.5%	\$7,035
\$710,526	3.5%	\$7,035
\$236,842	1.2%	\$2,345
\$150,000	0.7%	\$1,485
\$100,000	0.5%	\$990
\$675,000	3.3%	\$6,683
\$0	0.0%	\$0
\$376,327	1.8%	\$3,726
\$0	0.0%	\$0
\$0	0.0%	\$0
\$58,500	0.3%	\$579
\$11,700	0.1%	\$116
\$115,000	0.6%	\$1,139
\$23,000	0.1%	\$228
\$0	0.0%	\$0
\$245,075	1.2%	\$2,426
\$35,000	0.2%	\$347
\$0	0.0%	\$0
\$10,000	0.0%	\$99
\$202,500	1.0%	\$2,005
\$50,000	0.2%	\$495
\$118,421	0.6%	\$1,172
\$121,200	0.6%	\$1,200
\$0	0.0%	\$0
\$15,015	0.1%	\$149
\$40,000	0.2%	\$396
\$10,000	0.0%	\$99
\$68,960	0.3%	\$683
\$4,000	0.0%	\$40
\$90,000	0.4%	\$891
\$205,136	1.0%	\$2,031
\$60,000	0.3%	\$594
\$90,900	0.4%	\$900
\$150,000	0.7%	\$1,485
\$100,000	0.5%	\$990
\$10,000	0.0%	\$99
\$100,000	0.5%	\$990
\$90,900	0.4%	\$900
\$10,000	0.0%	\$99
\$25,000	0.1%	\$248
\$184,565	0.9%	\$1,827
\$212,100	1.0%	\$2,100
\$5,000	0.0%	\$50
\$25,250	0.1%	\$250
\$101,697	0.5%	\$1,007
\$17,390,246	85.4%	\$172,181
\$0	0.0%	\$0
\$0	0.0%	\$0
\$0	0.0%	\$0
\$0	0.0%	\$0
\$1,000,000	4.9%	\$9,901
\$0	0.0%	\$0
\$0	0.0%	\$0
\$0	0.0%	\$0
\$1,967,445	9.7%	\$19,480
\$20,357,691	100.0%	\$201,561

Heron Estates Senior - Palm Beach - Elderly Operating Statement

Income:	Per Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Housing							8/1/2017									
Net Rental Income	\$10,651	\$1,075,776	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
Reserve for Vacancy @ 5.0%	(\$533)	(\$53,789)	(\$54,865)	(\$55,962)	(\$57,081)	(\$58,223)	(\$59,387)	(\$60,575)	(\$61,786)	(\$63,022)	(\$64,283)	(\$65,568)	(\$66,880)	(\$68,217)	(\$69,582)	(\$70,973)
Parking Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laundry	\$200	\$20,150	\$20,552	\$20,964	\$21,383	\$21,810	\$22,247	\$22,692	\$23,145	\$23,608	\$24,081	\$24,562	\$25,053	\$25,554	\$26,066	\$26,587
Other	\$29	\$2,879	\$2,936	\$2,995	\$3,055	\$3,116	\$3,178	\$3,242	\$3,306	\$3,373	\$3,440	\$3,509	\$3,579	\$3,651	\$3,724	\$3,798
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other 738	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other 973	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Housing	\$10,347	\$1,045,015	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
Expenses:	Per Unit															
Housing																
Management Fee (% of EGI)	\$724	\$73,151	\$74,614	\$76,106	\$77,628	\$79,181	\$80,765	\$82,380	\$84,028	\$85,708	\$87,422	\$89,171	\$90,954	\$92,773	\$94,629	\$96,521
Admin	\$377	\$38,029	\$39,170	\$40,345	\$41,555	\$42,802	\$44,086	\$45,409	\$46,771	\$48,174	\$49,619	\$51,108	\$52,641	\$54,220	\$55,847	\$57,522
Contracted Services	\$224	\$22,654	\$23,334	\$24,034	\$24,755	\$25,498	\$26,263	\$27,051	\$27,862	\$28,698	\$29,559	\$30,446	\$31,359	\$32,300	\$33,269	\$34,267
Leasing and Marketing	\$133	\$13,478	\$13,883	\$14,299	\$14,728	\$15,170	\$15,625	\$16,094	\$16,577	\$17,074	\$17,586	\$18,114	\$18,657	\$19,217	\$19,793	\$20,387
Maintenance	\$114	\$11,508	\$11,853	\$12,209	\$12,575	\$12,952	\$13,341	\$13,741	\$14,153	\$14,578	\$15,015	\$15,466	\$15,930	\$16,408	\$16,900	\$17,407
Payroll	\$1,335	\$134,805	\$138,849	\$143,015	\$147,305	\$151,724	\$156,276	\$160,964	\$165,793	\$170,767	\$175,890	\$181,167	\$186,602	\$192,200	\$197,966	\$203,905
Utilities	\$488	\$49,251	\$50,729	\$52,250	\$53,818	\$55,432	\$57,095	\$58,808	\$60,573	\$62,390	\$64,261	\$66,189	\$68,175	\$70,220	\$72,327	\$74,497
Real Estate Taxes	\$900	\$90,900	\$93,627	\$96,436	\$99,329	\$102,309	\$105,378	\$108,539	\$111,796	\$115,149	\$118,604	\$122,162	\$125,827	\$129,602	\$133,490	\$137,494
Insurance	\$900	\$90,900	\$93,627	\$96,436	\$99,329	\$102,309	\$105,378	\$108,539	\$111,796	\$115,149	\$118,604	\$122,162	\$125,827	\$129,602	\$133,490	\$137,494
Replacement Reserves	\$300	\$30,300	\$31,209	\$32,145	\$33,110	\$34,103	\$35,126	\$36,180	\$37,265	\$38,383	\$39,535	\$40,721	\$41,942	\$43,201	\$44,497	\$45,831
Sail/Bond Fees	\$203	\$20,475	\$21,089	\$21,722	\$22,374	\$23,045	\$23,736	\$24,448	\$25,182	\$25,937	\$26,715	\$27,517	\$28,342	\$29,192	\$30,068	\$30,970
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$5,698	\$575,452	\$591,984	\$608,997	\$626,506	\$644,525	\$663,069	\$682,154	\$701,794	\$722,008	\$742,811	\$764,221	\$786,256	\$808,934	\$832,275	\$856,296
Net Operating Income	\$4,649	\$469,563	\$473,931	\$478,237	\$482,474	\$486,636	\$490,716	\$494,708	\$498,606	\$502,401	\$506,087	\$509,656	\$513,099	\$516,409	\$519,576	\$522,592
Debt Service & Cashflow																
Hard Debt																
Permanent Loan 1		\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834	\$367,834
DSCR		1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.36	1.37	1.38	1.39	1.39	1.40	1.41	1.42

EXHIBIT G

**SECOND AMENDED AND RESTATED GROUND LEASE
BETWEEN
RIVIERA BEACH HOUSING AUTHORITY
AND
HTG HERON ESTATES SENIOR, LLC**

Basic Lease Information

EFFECTIVE DATE: AS OF NOVEMBER 15, 2016

LANDLORD: RIVIERA BEACH HOUSING AUTHORITY

TENANT: HTG HERON ESTATES SENIOR, LLC

PREMISES: CERTAIN LAND SITUATED IN THE CITY OF RIVIERA BEACH, COUNTY OF PALM BEACH, AND STATE OF FLORIDA, AS MORE PARTICULARLY DESCRIBED IN EXHIBIT A

CAPITALIZED LEASE PAYMENT: AS PROVIDED IN SECTION 6.1

COMMENCEMENT DATE: AS PROVIDED IN SECTION 5.2

TERM: AS PROVIDED IN SECTION 5.1

LANDLORD'S ADDRESS: RIVIERA BEACH HOUSING AUTHORITY
2014 West 17th Court
Riviera Beach, Florida 33404
Attention: John W. Hurt, Executive Director

TENANT'S ADDRESS: HTG HERON ESTATES SENIOR, LLC
3225 Aviation Avenue, Suite 602
Coconut Grove, Florida 33133
Attention: Matthew Rieger, Manager

The Basic Lease Information is part of the Lease, however, if any of the Basic Lease Information contradicts any provision of the Lease, then the provision of the Lease prevails.

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SECOND AMENDED AND RESTATED GROUND LEASE

THIS SECOND AMENDED AND RESTATED GROUND LEASE (this "Lease") dated as of November 15, 2016 (the "Effective Date"), is by and between (i) RIVIERA BEACH HOUSING AUTHORITY, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes ("Landlord"), whose address is 2014 West 17th Court, Riviera Beach, Florida 33404; and (ii) HTG Heron Estates Senior, LLC, a Florida limited liability company ("Tenant"), whose address is Aviation Avenue, Suite 602, Coconut Grove, Florida 33133. Landlord and Tenant are jointly referred to herein as the "Parties".

ARTICLE 1 - RECITALS

WHEREAS, Landlord is the owner of the real property on Exhibit A (the "Premises"), where a public housing project formerly known as Ivy Green was located; and

WHEREAS, Landlord and Tenant entered into that certain Amended and Restated Ground Lease dated October 13, 2015, as amended by that certain First Amendment to Amended and Restated Ground Lease dated as of March 2, 2016 (collectively, the "Original Ground Lease"); and

WHEREAS, this phase of the revitalization shall consist of one hundred one (101) low income senior rental units (the "Tax Credit Units"), eleven (11) of which will be considered "public housing" units under applicable law, including, but not limited to, the U.S. Housing Act of 1937, as amended, or successor legislation (the "Mixed Finance Public Housing Units"), and fifty (50) of which will be Section 8 project-based units (the "Section 8 Units"), together with a community room (collectively, the "Improvements"). The Improvements shall be constructed on the Premises owned by Landlord and leased to Tenant hereunder. The Premises and the Improvements constructed thereon, and developed and operated by Tenant, known as Heron Estates Senior (or any successor name) are referred to herein as the "Development."

NOW, THEREFORE, in consideration of these presents, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby amend and restate the Original Ground Lease on the terms and conditions set forth herein.

ARTICLE 2 – INCORPORATION OF RECITALS, DEMISE OF LEASEHOLD INTEREST, AND HUD DEFINED TERMS

Section 2.1 Incorporation of Recitals.

The recitals are hereby incorporated into this Lease by reference and are made a part hereof.

Section 2.2 Leasehold Interest.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises upon the terms and conditions stated herein, and subject only to those matters affecting title which are shown of record as of the Commencement Date (the "Permitted Encumbrances").

(b) Tenant shall have the right to pass and repass over all existing ways and public areas located on or in the surrounding Premises and all utilities and service conduits and facilities thereon to facilitate the Development. In connection therewith, Landlord agrees to execute and deliver any and all easements, licenses, permits and/or applications necessary for the Development, and any costs related thereto shall be Tenant's responsibility.

Section 2.3 HUD Defined Terms.

(a) ACC: The Consolidated Annual Contributions Contract between HUD and Landlord, as amended by the Mixed Finance ACC Amendment and incorporating the Mixed Finance Public Housing Units in the Development, as the same may be further amended from time to time.

(b) Act: The United States Housing Act of 1937 (42 U.S.C. § 1437, *et seq.*), as amended from time to time, any successor legislation, and all implementing regulations issued thereunder or in furtherance thereof.

(c) Applicable Public Housing Requirements: All requirements applicable to public housing, including, but not limited to, the Act, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the ACC, the HOPE VI Grant Agreement (if applicable), the Mixed-Finance ACC Amendment, the HUD-approved Declaration of Restrictive Covenants in favor of HUD, Landlord's admissions and occupancy policies applicable to the Development, as set forth in Landlord's approved PHA Plan under 24 CFR Part 903, and all applicable federal, statutory, regulatory and executive order requirements, as those requirements may be amended from time to time.

(d) HUD: The U.S. Department of Housing and Urban Development.

ARTICLE 3 – IMPROVEMENTS

Section 3.1 Development Constructed.

(a) Tenant shall construct the Improvements on the Premises at its sole expense and subject to the terms and conditions of this Lease and reasonable financing documents necessitated by Tenant's construction financing as reasonably approved by Landlord. In the event of a conflict or inconsistency between any requirement contained in this Lease (or between any requirement contained in any document referred to in this Lease, including any Leasehold Mortgage (as hereinafter defined), if applicable, and the Applicable Public Housing Requirements, the Applicable Public Housing Requirements shall in all instances be controlling.

(b) The Development will be subject to (i) a HUD-approved Regulatory and Operating Agreement to be entered into by the Parties with respect to the Mixed Finance Public

Housing Units (the "R&O Agreement"), (ii) a Declaration of Restrictive Covenants in favor of HUD and recorded among the Land Records of the County of Palm Beach (the "County") with respect to the Mixed Finance Public Housing Units (the "Declaration of Restrictive Covenants"), (iii) a certain Land Use Restriction Agreement to be entered into by Landlord and Tenant and recorded among the Land Records of the County (the "Tax Credit Restrictive Covenant") with respect to the Tax Credit Units, (iv) a certain Section 8 Project-Based Voucher Program PBV Agreement to Enter into Housing Assistance Payments Contract between Landlord and Tenant and, upon Landlord's acceptance of the Section 8 Units, a certain Section 8 Project-Based Voucher Program PBV Housing Assistance Payments Contract between Landlord and Tenant, and (v) other reasonable documentation required by Tenant's financing as reasonably approved by Landlord.

Section 3.2 Compliance with Laws.

The Development shall be constructed in a good and workmanlike manner and in accordance with the requirements of all applicable provisions of all applicable laws, ordinances, codes, orders, rules and regulations of all governmental authorities, agencies or departments having jurisdiction over the Development, including, but not limited to, Landlord, HUD (where applicable) and the City of Riviera Beach, Florida (the "City"). Because all Mixed Finance Public Housing Units under this Lease are also Tax Credit Units, ambiguity or conflict may arise between tax-credit and public housing requirements. To the extent there is any ambiguity or conflict between or among any two or more of the R&O Agreement, Declaration of Restrictive Covenants, Tax Credit Restrictive Covenant, or other documents referenced in this Lease, the instrument providing greater rights and protections to the Mixed Finance Public Housing Units shall prevail.

Section 3.3 Approvals, Permits and Licenses.

Tenant and Landlord shall apply for and prosecute, or cause to be applied for and prosecuted, with reasonable diligence, all necessary approvals, permits and licenses required for the construction, development, use and occupancy of the Development. Landlord shall cooperate with Tenant as may be necessary to facilitate the same.

Section 3.4 Ownership of Development.

Landlord and Tenant acknowledge and agree that Tenant shall be the owner of the improvements comprising the Development, and as such, Tenant shall be entitled to all depreciation deductions and low income housing tax credits or other benefits for income tax purposes relating to the Improvements.

Section 3.5 Amendments to Plans and Specifications.

Tenant shall take no action to effectuate any material amendments, modifications or any other alterations to the plans and specifications for the Development unless Landlord has approved such, in writing and in advance. Landlord's execution of this Lease also constitutes a certification to HUD under 24 CFR § 941.402 or successor regulation that prior to making any such amendments, modifications or alterations to the plans and specifications that such

amendments, modifications or alterations are in accordance with its design and construction standards at 24 CFR § 941.203 or successor regulation.

ARTICLE 4 – REPRESENTATIONS AND WARRANTIES

Section 4.1 Landlord's Representations and Warranties.

Landlord hereby represents and warrants to Tenant that:

(a) As of the Commencement Date, Landlord will own, fee simple, good and marketable title to the Premises, free and clear of all liens, charges, encumbrances, encroachments, easements, restrictions, occupancies or agreements and other matters affecting title, subject to the Permitted Encumbrances. Landlord specifically affirms that the Declaration of Restrictive Covenants in favor of HUD is a covenant running with the Premises and not just a personal covenant of Landlord, and, as such, this Lease is expressly made subject to all of the terms and conditions of the Declaration of Restrictive Covenants until it is released by HUD as noted above.

(b) As of the Commencement Date, there will be no unpaid special assessments of which Landlord has received notice, or of which Landlord is otherwise aware, for sewer, sidewalk, water, paving, gas, electrical or utility improvements or other capital expenditures, matured or unmatured, affecting the Premises.

(c) The person signing this Lease on behalf of Landlord is authorized duly and validly to so sign.

Section 4.2 Tenant's Representations and Warranties.

Tenant hereby warrants and represents to Landlord that:

(a) Tenant is, and as of the Commencement Date will be, a duly organized and lawfully existing limited liability company under the laws of the State of Florida.

(b) Tenant has, and as of the Commencement Date will have the full right, power and authority to make, execute, deliver and perform this Lease.

(c) The person signing this Lease on behalf of Tenant is authorized duly and validly to so sign.

ARTICLE 5 – TERM

Section 5.1 Term of Lease.

This Lease shall be for a minimum term (i) commencing on the Commencement Date, and (ii) unless otherwise provided by law, terminating on the latest to occur of: (A) expiration of the minimum period during which the Mixed Finance Public Housing Units are required by law to be operated as public housing in accordance with the Act; (B) the expiration of forty (40)

years from the date the Development becomes available for occupancy; and (C) December 31, 2066 (the "Term").

Section 5.2 Commencement Date.

The date on which Tenant closes on the construction financing with respect to the Development is the "Commencement Date".

ARTICLE 6 – CAPITALIZED LEASE PAYMENT

Section 6.1 Capitalized Lease Payment.

There shall be a one-time capitalized lease payment ("Capitalized Lease Payment") in the amount of One Million Dollars (\$1,000,000.00). Tenant will pay Landlord the Capitalized Lease Payment on the Commencement Date. The Capitalized Lease Payment will be paid at the address specified for Landlord in the Basic Lease Information, or at such other address as Landlord may direct from time to time by written notice.

Section 6.2 Payments by Tenant upon Commencement of Construction of the Development.

Other than as expressly set forth in this Lease, all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Premises and the construction, ownership, leasing, operation, maintenance, repair, rebuilding, use or occupation of the Premises or the Development shall be the responsibility of Tenant.

ARTICLE 7 – TAXES; OPERATING EXPENSES

Section 7.1 Taxes.

Tenant will pay or cause to be paid (i) any real estate taxes which are assessed against the Premises by any taxing authority during the Term, or (ii) any payments to the extent required by a cooperation agreement or amendment thereto providing for payments in lieu of taxes which is entered into by Tenant or Landlord with the City or any other taxing entity during the Term. Tenant will pay or cause to be paid all real estate recordation taxes incident to this Lease, if any. Each party agrees to cooperate with any effort on the part of the other party to appeal any tax assessment.

Section 7.2 Project Operating Expenses.

Tenant will pay or cause to be paid all costs and expenses attributable to or incurred in connection with the operation, maintenance and repair of the Premises and the Development (collectively, the "Operating Expenses") during the Term.

ARTICLE 8 – INSURANCE; PAYMENT AND PERFORMANCE BONDS

Section 8.1 Tenant's Insurance and Payment and Performance Bonds.

Tenant will, at its sole expense, obtain and keep in force, adequate insurance and payment and performance bonds to protect Tenant and Landlord from loss as follows:

(a) "All Risk" Coverage. Tenant will, at its sole expense (but nevertheless as a portion of Operating Expenses) obtain and keep in force during the Term, "all-risk" coverage insurance on the Development naming Tenant and Landlord as the insured, as their interests may appear, in the customary form in the City for buildings and improvements of similar character. The amount of such insurance will be set forth on an "agreed amount endorsement" to the policy of such insurance and will not be less than 100% of the full replacement value of the improvements on the Premises, as determined from time to time.

(b) General Liability. Tenant will, at its sole expense (but nevertheless as a portion of Operating Expenses) obtain and keep in force during the Term general liability insurance with a combined limit of not less than Five Million Dollars (\$5,000,000.00), for injury to or death of any one person, for injury to or death of any number of persons in one occurrence, and for damage to property, insuring against any and all liability of Landlord and Tenant including, without limitation, coverage for contractual liability and broad property damage, with respect to the Premises or arising out of the maintenance, use or occupancy of the Development. Such insurance will insure the performance by Tenant of its indemnity obligations hereunder as to liability for injury to or death of persons and damage to property set forth in this Lease. Such insurance will not be noncontributing with any insurance that may be carried by Landlord and will contain a provision that Landlord, although named as an insured, will nevertheless be entitled to recover under the policy for any loss, injury, or damage to Landlord, its agents, and employees, or the property of such persons.

(c) Other Matters. All insurance required in this Article and all renewals of it, will be issued by companies authorized to transact business in the State of Florida, and rated at least A+ Class X by Best's Insurance Reports (property liability). All insurance policies will expressly provide that such policies will not be canceled or altered without thirty (30) days' prior written notice to Landlord, in the case of "all-risk" coverage insurance, and to Landlord, in the case of general liability insurance; will to the extent obtainable, provide that no act or omission of Tenant which would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained; and will, to the extent obtainable, contain a waiver by the insurer of its rights of subrogation against Landlord. Upon issuance, each insurance policy or a duplicate or certificate of such policy will be delivered to Landlord. Tenant may satisfy its obligations under this Section 8.1(c) by appropriate endorsements of its blanket insurance policies.

(d) Delivery of Evidence of Insurance. Certificates of insurance for all insurance required of Tenant hereunder and evidence of the payment of all premiums of such policies will be delivered to Landlord. All public liability, property damage liability, and casualty policies maintained by Tenant will be written as primary policies, not contributing with and not in excess of coverage that Landlord may carry. If Tenant fails to maintain such excess insurance, which

failure continues for ten (10) days after Landlord gives notice to Tenant of such failure, then Landlord, at its election, may procure such insurance as may be necessary to comply with the above requirements (but shall not be obligated to procure same), and Tenant shall reimburse to Landlord, as a Landlord reimbursement, any costs associated with procuring such insurance.

(e) Payment and Performance Bonds. Tenant will cause the general contractor, at its sole expense, to obtain and keep in force during the construction of the improvements on the Premises, performance bonds, materials payment bonds, and labor payments bonds in an amount equal to one hundred percent (100%) of the contract sum of the improvements on the Premises reasonably satisfactory to Landlord. The payment and performance bonds required of Tenant hereunder will be delivered to Landlord.

Section 8.2 Landlord's Insurance.

Landlord shall obtain and maintain, at its sole cost and expense, general liability insurance with respect to the Premises.

ARTICLE 9 – USE OF PREMISES, COMPLIANCE WITH LAWS, COVENANTS APPLICABLE TO PUBLIC HOUSING UNITS, AND TENANT'S INDEMNITY

Section 9.1 Permitted Use.

Tenant shall throughout the Term continuously use and operate the Premises and the Development only for the following uses, and such other uses as are reasonably and customarily attendant to such uses: construction, development, marketing for lease and leasing of the Tax Credit Units, including the Mixed Finance Public Housing Units, and the operation, maintenance and management of the Development in a manner which strictly satisfies the requirements of this Lease and the Applicable Public Housing Requirements.

Section 9.2 Compliance with Laws.

Tenant shall not use or occupy, or suffer or permit any portion of the Premises to be used or occupied in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement. Tenant will comply with applicable laws and all rules, orders, regulations, and requirements of the board of fire underwriters or insurance service office, or any other similar body, having jurisdiction over the Premises.

Section 9.3 Covenants Applicable to Mixed Finance Public Housing Units.

(a) The Mixed Finance Public Housing Units are subjected to, and benefited by, the terms and conditions of the Applicable Public Housing Requirements. The provisions of the Applicable Public Housing Requirements and this Section are intended to create a covenant running with the land and, subject to the terms and benefits of the Applicable Public Housing Requirements, to encumber and benefit the Premises for the entire Term. The Applicable Public Housing Requirements and this Section shall be binding upon Landlord and Tenant and each of their respective successors and assigns, including, without limitation, any entity which succeeds to Tenant's interest in the Premises by foreclosure or an instrument in lieu of foreclosure, and expressly include, but are not limited to, the following obligations:

(b) Except as otherwise provided in the Act, the Mixed Finance Public Housing Units shall be operated under the terms and conditions applicable to public housing, as set forth in the Applicable Public Housing Requirements, during the 40-year period, plus 10-year tail, that begins on the date on which the Development becomes available for occupancy, as required by section 9(d)(3)(A) of the Act (or any successor provision).

(c) Except as otherwise provided in the Act, the Mixed Finance Public Housing Units shall be maintained and operated under the terms and conditions applicable to public housing, as set forth in the Applicable Public Housing Requirements, during the 20-year period that begins on the latest date on which modernization with public housing capital funds is completed, as required by section 9(d)(3)(B) of the Act (or any successor provision).

(d) Except as otherwise provided in the Act, no portion of the Mixed Finance Public Housing Units may be disposed of without prior written approval by HUD before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which such amounts were provided, as required by section 9(e)(3) of the Act (or any successor provision).

(e) Neither the Mixed Finance Public Housing Units, nor any part thereof, may be demolished other than in accordance with the Applicable Public Housing Requirements.

(f) Tenant agrees that, with the exception of: (A) the Permitted Encumbrances; (B) dwelling leases for the eligible families for the Mixed Finance Public Housing Units; and (C) normal uses associated with the operation of the Development, neither the Development nor any portion thereof shall be encumbered in any way, nor the assets of the Development pledged as collateral for a loan, without the prior written approval of Landlord and HUD.

Section 9.4 Tenant's Indemnity.

Tenant covenants and agrees to indemnify, defend and hold Landlord, free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses (including reasonable attorneys' fees and expenses) which may at any time be imposed upon, reasonably incurred by or asserted or awarded against Landlord in connection with or arising from the injury to or death of any one or more persons or the damage to property, with respect to the Premises or arising out of the maintenance, use or occupancy of the Development during the Term. The obligations, indemnities and liabilities of Tenant under this Section 9.4 shall not extend to any liability caused by the negligence or other wrongful act of Landlord, its agents, employees and contractors.

Section 9.5 Landlord's Rights.

Notwithstanding anything herein to the contrary, prior to the Commencement Date, Tenant agrees that Landlord shall have a contractual right of entry onto the Premises for the purposes of Landlord's continued maintenance of the Premises during the period prior to the Commencement Date. Landlord shall, during this period, continue to maintain the Premises in the manner in which Landlord has maintained the Premises prior to the Effective Date.

ARTICLE 10 – ENVIRONMENTAL CONDITIONS

Section 10.1 Tenant's Environmental Covenants.

Tenant has no liability for any environmental conditions that existed or arose on the Premises prior to the Term, unless such environmental condition(s) was caused by the negligence or actions of Tenant or Tenant's employees, agents, or subcontractors. Tenant shall not be responsible for removing or rendering harmless any pre-existing Prohibited Substances (as hereinafter defined) from the Premises, but shall advise Landlord and cooperate and coordinate the remediation work. Without limitation of any of Tenant's other covenants, agreements and obligations under this Lease, Tenant hereby specifically covenants and agrees to fulfill the responsibilities set forth below with respect to environmental matters and Hazardous Materials or Prohibited Substances (as hereinafter defined):

(a) Tenant, its agents, employees, and contractors shall comply with all applicable provisions of all Environmental Laws (as hereinafter defined) applicable to the Premises, the Development, and Tenant's use of the Premises. All required governmental permits and licenses issued to Tenant, its agents, employees, and contractors and associated with the Premises and the Development shall remain in effect or shall be renewed in a timely manner, and Tenant, its agents, employees and contractors shall comply therewith.

(b) Tenant shall not itself, and Tenant shall not permit any other person, including, but not limited to, third parties with whom Tenant contracts in regard to this Lease, to bring onto the Premises any (i) asbestos or asbestos-containing material or polychlorinated biphenyl material, or (ii) hazardous substances or hazardous waste as defined under any federal, state or local law, that may require remediation under applicable law (other than quantities or such substances, including gasoline, diesel fuel and the like as are customary and necessary to prosecute construction and occupancy of the Development on the Premises), or (iii) soil containing volatile organic compounds (collectively (i)-(iii) are the "Prohibited Substances"). Tenant shall be liable for the consequences of, and responsible for removal and lawful disposal, at its sole expense, of any Hazardous Materials, Prohibited Substances, or both brought onto the Premises, resulting from a default under this Section.

(c) Tenant shall immediately notify Landlord, in writing and provide Landlord with copies of all forms, notices and other information received by or on behalf of Tenant, its agents, employees, and contractors concerning any releases, spills or other incidents relating to Hazardous Materials, Prohibited Substances, or both, or any violations of Environmental Laws at or relating to the Premises when and as supplied to any government agency. Tenant shall also comply with all laws, ordinances, regulations and orders of all governmental, regulatory and other public and quasi-public agencies, authorities and entities having jurisdiction over the same with respect thereto.

Section 10.2 Landlord's Environmental Covenants.

Without limitation of any of Landlord's other covenants, agreements and obligations under this Lease, Landlord hereby specifically covenants and agrees to provide Tenant with copies of all forms, notices and other information received by or on behalf of Landlord concerning any released, spills or other incidents relating to Hazardous Materials or Prohibited

Substances, or any violations of Environmental Laws at or related to the Premises when and as supplied to any governmental agency.

Section 10.3 Tenant's Environmental Indemnity.

Tenant covenants and agrees to indemnify, defend and hold Landlord free and harmless from and against any and all losses, liabilities, penalties, claims, fines, litigation, demands, costs, judgments, suits, proceedings, damages, disbursements or expenses (including reasonable attorneys' fees and expenses) which may at any time be imposed upon, reasonably incurred by or asserted or awarded against Landlord in connection with or arising from:

(a) Any Hazardous Materials, Prohibited Substances, or both which are first placed on, in, or under all or any portion of the Premises during the Term with the exception of any Hazardous Materials, Prohibited Substances or both which are placed on, in, or under all or any portion of the Premises by Landlord, its agents, employees and contractors; or

(b) Any violation of any Environmental Laws by Tenant, its agents, employees, and contractors at or relating to the Premises which is not a condition existing prior to the Commencement Date.

Section 10.4 Environmental Definitions.

For the purpose of this Lease, the following definitions shall apply:

(a) "Environmental Laws" means any present or future federal, state or local law, ordinance, rule, regulation, permit, license or binding determination of any governmental authority relating to, imposing liability or standards concerning, or otherwise addressing the environment, health or safety, including, but not limited to: the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42, U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq. and any so-called "Superfund" or "Superlien" law; and the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. ("OSHA"), as each is from time to time amended and hereafter in effect.

(b) "Hazardous Materials" means: (i) "hazardous substances" as defined by CERCLA; (ii) "hazardous wastes," as defined as RCRA; (iii) any hazardous, dangerous or toxic chemical, waste, pollutant, containment or substance ("pollutant") within the meaning of any Environmental Law prohibiting limited or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant; (iv) petroleum crude oil or fraction thereof; (v) any radioactive material, including any source, special nuclear or by-product material as defined in 42 U.S.C. Section 2011 et seq. and amendments thereto and reauthorizations thereof; or (vi) asbestos-containing materials in any form or condition, or polychlorinated biphenyls in any form or condition.

Section 10.5 Survival.

The agreements, representations and warranties of Landlord and Tenant respectively in this Article 10 shall survive the expiration or early termination of this Lease.

ARTICLE 11 – ASSIGNMENTS, SUBLEASES AND TRANSFERS

Section 11.1 Consent Required.

(a) Consent. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Landlord and Tenant, except that Tenant may not assign or sublet its interest in this Lease without the prior written consent of Landlord and HUD, other than entering into residential leases of the Improvements in the ordinary course of Tenant's business and, where applicable, in compliance with the Applicable Public Housing Requirements. Any attempted transfer without such consents shall be null and void.

(b) Prohibited Transfers. Tenant agrees for itself and its successors and assigns in interest hereunder that it will not, other than by the Leasehold Mortgages: (1) assign this Lease or any of its rights under this Lease as to all or any portion of the Premises, the Mixed Finance Public Housing Units, the rest of the Improvements, the unit equipment or the property generally, or (2) make or permit any voluntary or involuntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of any or all of the Premises, the Mixed Finance Public Housing Units, the rest of the Improvements, the unit equipment or the property or the occupancy or use thereof, other than in accordance with the Applicable Public Housing Requirements and this Lease (including but not limited to (i) any sale at foreclosure or by the execution of any judgment of any or all of Tenant's rights hereunder, or (ii) any Transfer by operation of law), without first obtaining Landlord's and HUD's express written consent thereto.

(c) HUD Restrictions on Transfers. No transfer, conveyance, or assignment shall be made without the prior written approval by both Landlord and HUD of: (i) any interest of a managing member, general partner, or controlling stockholder (any such interest being referred to as a "Controlling Interest") of Tenant, or (ii) a Controlling Interest in any entity which has a Controlling Interest in Tenant, or (iii) prior to the payment in full of all equity contributions described in the approved evidentiary documents listed in the Mixed-Finance ACC Amendment, any other interest in Tenant, or in any partner or member thereof (each of such transfers, conveyances and assignments, together with the transfers described in Section 11.1(b) hereof, is hereafter referred to as a "Transfer"). Notwithstanding the foregoing, the consent of Landlord and HUD shall not be required where a business organization that has a limited interest (non-controlling and non-managing) in Tenant transfers a non-controlling and non-managing interest in Tenant or an interest in the business organization, including, without limitation, the transfer of the non-controlling and non-managing member interest of the equity investor identified by Tenant (the "Equity Investor"), if any, to an affiliated investment fund of the Equity Investor, provided, that Tenant in the case of such a transfer: (i) provides Landlord and HUD with written notice of such transfer; and (ii) certifies to Landlord and HUD that the transferee entity(ies), as appropriate, remains obligated to fund its equity contribution in accordance with the terms of the HUD-approved organizational documents of Tenant. Landlord and HUD agree that they will not unreasonably withhold, or delay, or condition a request by Tenant for consent by Landlord,

HUD, or both to an internal reorganization of the corporate or partnership structure of Tenant or any of the partners, members or stockholders of Tenant.

(d) Any person to whom any Transfer is attempted without such consent shall have no claim, right or remedy, whatsoever hereunder against Landlord and Landlord shall have no duty to recognize any person claiming under or through the same.

Section 11.2 Subsequent Assignment.

In cases where Landlord's consent and HUD's consent is required, Landlord's consent and HUD's consent to one assignment will not waive the requirement that Tenant obtain consent to any subsequent assignment.

Section 11.3 Request for Consent.

If Tenant requests Landlord's consent to a specific assignment, Tenant shall provide to Landlord such information as may reasonably be required by Landlord and, if applicable, by HUD.

Section 11.4 Transfer by Landlord.

(a) Landlord shall not transfer all or any portion of its interest in the Premises without the prior written consent of the Equity Investor and any Leasehold Mortgagee (as hereinafter defined), if applicable, and upon any such approved transfer, the transferee shall assume all of Landlord's obligations under this Lease and, in any event, Landlord shall not transfer all or any portion of its interest in the Premises if the same would cause (i) a violation of any applicable laws or regulations, any terms of this Lease, or any agreement or contract to which Landlord is a party or by which Landlord is bound, or (ii) a reduction in Landlord's receipt of public housing operating subsidy for the Premises or other financing contemplated by Landlord's revitalization plan.

(b) Notwithstanding anything contained herein, Tenant hereby acknowledges and agrees that HUD or any receiver or appointee named by HUD or at HUD's request shall have the right to take over by transfer or otherwise Landlord's interest under this Lease, subject to the Development Agreement, R&O Agreement and, where applicable, the Declaration of Restrictive Covenants; provided, however, that HUD or any such receiver or appointee named by HUD assumes all of Landlord's obligations under this Lease, the R&O Agreement, and Declaration of Restrictive Covenants without releasing the original Landlord. Transfers by operation of law or local federal statute shall be exempt from this Section 11.4.

(c) Landlord acknowledges and covenants that it shall not transfer Landlord's estate in the Premises, if such transfer would jeopardize either the continuing tax exemption for such units under any applicable agreements with the City and other taxing authorities or the continuing receipt of the operating subsidy in respect of such units from HUD and payment thereof to Tenant under the R&O Agreement.

ARTICLE 12 – LEASEHOLD FINANCING

Section 12.1 Right to Mortgage.

With the prior written consent of Landlord and subject to receipt of any required HUD approvals, Tenant may grant one or more mortgages of its interest in the Lease (each, a "Leasehold Mortgage") to lenders and, in connection therewith, to collaterally assign this Lease to such lenders. In no event shall Landlord ever be required to execute any such mortgage or any note secured thereby or any other obligation securing any such note, or to subordinate Landlord's fee interest in the Premises or any portion thereof to the lien of any such mortgage. Tenant shall identify the name of each mortgagee ("Leasehold Mortgagee") for such portion of the Premises and the address(es) to which notices to the Leasehold Mortgagee are to be sent, and for purposes of this Lease the term "Leasehold Mortgagee" shall include any trustee acting with respect to any tax-exempt bond financing encumbering the Premises. Landlord agrees to execute any additional documents or further assurances as may be reasonably requested by any Leasehold Mortgagee in connection with any Leasehold Mortgage permitted by this Article 12.

Section 12.2 Consent Required for Termination and Amendments.

No termination, cancellation, surrender, modification, or amendment of this Lease by agreement between Landlord and Tenant shall be effective as to the Equity Investor or any Leasehold Mortgagee unless consented to in writing by the Equity Investor and such Leasehold Mortgagee.

Section 12.3 Default Notice.

Landlord, upon providing Tenant with any notice of (i) default under this Lease, the R&O Agreement, the Declaration of Restrictive Covenants, the Tax Credit Restrictive Covenant, and/or any financing or regulatory documents between Landlord and Tenant, or (ii) a termination of this Lease, shall at the same time send a copy of such notice to the Equity Investor and every Leasehold Mortgagee, if applicable, identified by written notice to Landlord, provided, however, that the failure to provide such additional notices shall not invalidate any duly delivered notice to Tenant. From and after such notice has been given to the Equity Investor and the Leasehold Mortgagee, the Equity Investor and such Leasehold Mortgagee shall have the same period, after the giving of such notice upon it, for remedying any default or causing the same to be remedied, as is given Tenant after the giving of such notice to Tenant, plus in each instance, the additional periods of time specified in Sections 12.4 and 12.5 hereof to remedy, commence remedying or cause to be remedied the defaults specified in any such notice. Landlord shall accept such performance by or at the instigation of the Equity Investor or such Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes the Equity Investor and any and each Leasehold Mortgagee to take any such action at the Equity Investor's and such Leasehold Mortgagee's option and does hereby authorize entry upon the Premises by the Equity Investor and such Leasehold Mortgagee for such purpose.

Section 12.4 Notice to Equity Investor and Leasehold Mortgagee.

Anything contained in this Lease to the contrary notwithstanding, if any default shall occur and remain uncured beyond all applicable grace or cure periods of this Lease, which entitles Landlord to terminate this Lease as to all or any portion of the Premises to take any other

remedial action against Tenant, Landlord shall have no right to terminate this Lease or take such remedial action unless, following the expiration of the period of time given Tenant to cure such default, Landlord shall notify the Equity Investor and each Leasehold Mortgagee, if applicable, to the extent of Landlord's actual knowledge of their existence, of Landlord's intent to so terminate at least thirty (30) calendar days in advance of the proposed effective date of such termination, if such default is capable of being cured by the payment of money, and at least forty-five (45) calendar days in advance of the proposed effective date of such termination if such default is not capable of being cured by the payment of money. The provisions of Section 12.5 hereof shall apply if, during such thirty (30) or forty-five (45) calendar day notice period, the Equity Investor or any Leasehold Mortgagee:

(a) Notifies Landlord of the Equity Investor's or such Leasehold Mortgagee's desire to nullify such notice; and

(b) Pays or causes to be paid all payments then due and in arrears applicable to the subject portion(s) of the Premises, as specified in the notice given to the Equity Investor and such Leasehold Mortgagee and which becomes due during such thirty (30) or forty-five (45) day period; and

(c) Complies or in good faith, with reasonable efforts, commences to comply with any non-monetary requirements of this Lease applicable to the subject portion(s) of the Premises then in default and except as provided in the following sentence, reasonably susceptible of being complied with by the Equity Investor or such Leasehold Mortgagee.

No Leasehold Mortgagee shall be required during such thirty (30) day or forty-five (45) day period to cure or commence to cure any default consisting of Tenant's failure to satisfy and discharge any lien, charge or encumbrance against Tenant's interest in this Lease or any part thereof which is (a) authorized by this Lease, and (b) junior in priority to the lien of the Leasehold Mortgage, if applicable, held by such Leasehold Mortgagee.

Section 12.5 Procedure on Default.

If Landlord shall elect to terminate this Lease by reason of any default of Tenant, which default has not been cured within the applicable cure period, and the Equity Investor or a Leasehold Mortgagee, if applicable, shall have proceeded in the manner provided for by Section 12.4 hereof, the specified date for such termination as fixed by Landlord in its notice given pursuant to Section 12.4 hereof shall be extended for a period of six (6) months, provided that neither the Equity Investor nor any Leasehold Mortgagee shall be permitted to avail itself of additional cure periods as described at Section 12.4 hereof and this Section 12.5 if: (i) there has been an event of default under the applicable cure period specified in the R&O Agreement; (ii) such event of default would result in a forfeiture of the HOPE VI grant (if applicable), or; (iii) otherwise jeopardize the status of the Mixed Finance Housing Units, and provided that the Equity Investor or such Leasehold Mortgagee shall, during such six-month period:

(a) Pay or cause to be paid, any monetary obligations of Tenant under this Lease, as the same become due, and continue its good faith efforts to perform all of Tenant's other obligations under this Lease, excepting (i) obligations of Tenant to satisfy or otherwise discharge

any lien, charge or encumbrance against Tenant's interest in this Lease or any part thereof which is junior in priority to the lien of the Leasehold Mortgage, if applicable, held by such Leasehold Mortgagee, and (ii) past non-monetary obligations then in default and not reasonably susceptible of being cured by the Equity Investor or such Leasehold Mortgagee; and

(b) Except to the extent enjoined and stayed, take steps to acquire or sell Tenant's interest in this Lease, by foreclosure of such Leasehold Mortgagee, or other appropriate means and prosecute the same to completion with reasonable efforts.

Section 12.6 Extension of Cure Period.

If at the end of the six-month period specified in Section 12.5 hereof, the Equity Investor or such Leasehold Mortgagee, if applicable, is complying with Section 12.5(a) hereof, and provided that neither the Equity Investor nor any Leasehold Mortgagee shall be permitted to avail itself of additional cure periods as described at Sections 12.4 and 12.5 hereof if: (i) there has been an event of default under the applicable cure period specified in the R&O Agreement; (ii) such event of default would result in a forfeiture of the HOPE VI grant (if applicable), or; (iii) otherwise jeopardize the status of the Mixed Finance Public Housing Units, then this Lease shall not then terminate, and the time for completion by such Leasehold Mortgagee of its proceedings shall continue so long as such Leasehold Mortgagee is enjoined or stayed and thereafter for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interest in this Lease, by foreclosure of its Leasehold Mortgage or by other appropriate means with reasonable efforts. Nothing in this Article 12, however, shall be construed to extend this Lease beyond the Term. If any Leasehold Mortgagee is complying with Section 12.5 hereof, upon the acquisition of Tenant's interest in this Lease by such Leasehold Mortgagee or its designee, or any other purchaser at a foreclosure sale or otherwise and the discharge, by operation of law or otherwise, of any lien, charge or encumbrance against Tenant's interest in this Lease or any part thereof which is junior in priority to the lien of the Leasehold Mortgage held by such Leasehold Mortgagee and which Tenant is obligated to satisfy and discharge by the terms of this Lease, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease.

Section 12.7 Right to New Lease.

In the event that the Lease is terminated by Landlord, Landlord shall, if requested by Leasehold Mortgagee, if applicable, grant to the Leasehold Mortgagee a new lease on the following terms and conditions:

(a) In the event of the termination of this Lease prior to its stated expiration date, Landlord agrees that it will enter into a new lease of the Premises with any Leasehold Mortgagee, if applicable, or, at the request of such Leasehold Mortgagee, a designee subject to HUD approval, if necessary, including but not limited to a corporation or other entity formed by or on behalf of such Leasehold Mortgagee, for the remainder of the Term effective as of the date of such termination, and upon the same covenants, agreements, terms, provisions, and limitations herein contained, provided (i) such Leasehold Mortgagee makes written request upon Landlord for such new lease within thirty (30) days from the date Landlord notifies such Leasehold Mortgagee of such termination and such written request is accompanied by payment to Landlord

of all amounts then due to Landlord under this Lease but for such termination, (ii) such Leasehold Mortgagee pays or causes to be paid to Landlord at the time of the execution and delivery of such new lease any and all sums which would at the time of the execution and delivery thereof be due under this Lease but for such termination and pays or causes to be paid any and all expenses, including reasonable counsel fees, court costs, and costs and disbursements incurred by Landlord in connection with any such termination and in connection with the execution and delivery of such new lease and (iii) such Leasehold Mortgagee agrees to reinstate the lien and take the Premises subject to the loan of any other Leasehold Mortgagee which held a lien senior in priority to the lien of such Leasehold Mortgagee if such senior Leasehold Mortgagee had also requested a new lease and tendered the required payments(s).

(b) Any new lease made pursuant to this Section 12.7 shall have the same priority as this Lease (except with respect to any non-electing Leasehold Mortgagee) and shall be prior to any mortgage or any lien, charge or encumbrance of the fee of the Premises created by Landlord, except the Declaration of Restrictive Covenants, for a term of years equal to the balance of the Term.

(c) Any mortgage or deed of trust upon Landlord's interest in the Premises permitted in accordance with Section 11.4 hereof and any action by such mortgagee or trustee or beneficiary of such deed of trust by way of receivership, foreclosure, exercise of power of sale, or deed in lieu thereof shall be subject and subordinate to this Lease and to the new lease to be given pursuant to this Section 12.7 and any mortgagee or holder of such mortgage or the beneficiary and trustee of any such deed of trust must recognize this Lease and any new lease and all rights of Tenant and each Leasehold Mortgagee hereunder and thereunder.

(d) The provisions of this Section 12.7 shall be self-operative and require no further action by the mortgagee of any mortgage or beneficiary and trustees of any deed of trust encumbering Landlord's interest in the Premises, the Development, or both, but upon request by Tenant or the Leasehold Mortgagee electing under Section 12.7(a) hereof, Landlord agrees to obtain from such mortgagee or beneficiary and trustees an instrument duly executed and acknowledged confirming the priority of such new lease.

Section 12.8 Assumption of Tenant's Obligations.

For purposes of Articles 11 and 12, the making of a Leasehold Mortgage, if applicable, shall not be deemed to constitute an assignment or transfer of this Lease or Tenant's interest created hereby, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Lease or of Tenant's interests under this Lease so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder, but a Leasehold Mortgagee may become the holder of Tenant's leasehold estate and succeed to Tenant's interest in this Lease by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Lease in lieu of foreclosure, and any purchaser at any sale of Tenant's interest under this Lease in any proceeding for the foreclosure of any mortgage or the assignee or transferee of Tenant's interest in this Lease under any instrument of assignment or transfer in lieu of the foreclosure of any mortgage shall be deemed to be an assignee or transferee approved by Landlord and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Tenant to be

performed hereunder, but only for so long as such purchaser or assignee is the owner of Tenant's interest in this Lease.

Section 12.9 Non-Curable Defaults.

Nothing in this Article 12 shall require the Equity Investor or any Leasehold Mortgagee, if applicable, or its designee as a condition to the exercise of rights provided under this Article 12 to cure any default of Tenant not reasonably susceptible of being cured by the Equity Investor or such Leasehold Mortgagee or its designee as such susceptibility is reasonably determined solely by Landlord. The foregoing shall not be deemed to excuse any Leasehold Mortgagee from performing covenants relating to the condition of the Development on the Premises, operation in compliance with the R&O Agreement, Declaration of Restrictive Covenants, or other similar matters requiring access to or control of the Premises, from and after such time as such Leasehold Mortgagee acquires Tenant's interest in this Lease by foreclosure or otherwise.

Section 12.10 No Merger.

So long as any Leasehold Mortgage is in existence, unless all Leasehold Mortgagees shall otherwise expressly consent in writing, the fee title to the Premises and the leasehold estate of Tenant therein shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by any single owner, other than by termination of this Lease by Landlord in compliance with the provisions of this Article 12.

Section 12.11 Landlord's Fee to Remain Unsubordinated.

Landlord and Tenant expressly acknowledge and agree that Landlord shall have no obligation under this Lease or otherwise to subordinate fee title of Landlord in the Premises or any rights of Landlord in this Lease to the leasehold estate of Tenant created by this Lease or to join any such mortgage or encumbrance or otherwise in any manner subordinate the fee title of Landlord in and to the Premises or interest of Landlord under this Lease.

Section 12.12 Sale of Premises.

In the event of any sale or conveyance of the Premises by Landlord, as approved by HUD, any such sale or conveyance of all or any part of the Premises shall be subject to this Lease and all of the provisions hereof, and notice of such sale shall be provided to the Equity Investor and each Leasehold Mortgagee.

ARTICLE 13 – MAINTENANCE AND REPAIR

Section 13.1 Tenant's Obligations.

Tenant will, at its sole cost and expense, maintain or cause to be maintained the Development, reasonable wear and tear excepted, and make or cause to be made repairs, restorations, and replacements to the Development, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems, structural roof, walls, and foundations, and the fixtures and appurtenances to the Development as and when needed to preserve them in good working order and condition, and regardless of whether the

repairs, restorations, and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of Tenant, its agents, employees, invitees, visitors, and contractors. All such repairs, restorations, and replacements of the Development, as elected by Tenant, will be in quality and class either equal to the original work or installations, or otherwise consistent with the standard then applicable to comparable residential projects within the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area at such time, but in no event of less quality or class than the Declaration of Restrictive Covenants, the R&O Agreement, and any other applicable regulatory agreement between Landlord and Tenant.

ARTICLE 14 – ALTERATIONS

Section 14.1 Consent.

After completion of the Development's construction, Tenant shall not make any alterations, improvements or additions to the Premises having a cost greater than Seventy-Five Thousand Dollars (\$75,000) or such lesser amount as may be provided in the management agreement and/or management plan (to be entered into by and between Tenant and the property manager), or demolish any portion thereof, without first presenting to Landlord complete plans and specifications therefore and obtaining Landlord's and HUD's written consent thereto (which consent shall not unreasonably be withheld so long as, in Landlord's and HUD's judgment such alteration, improvement, addition or demolition will not violate the Applicable Public Housing Requirements or this Lease, or impair the value of the Premises). HUD's right under the preceding sentence shall be extinguished upon the release of the Declaration of Restrictive Covenants in favor of HUD encumbering the Premises. Any improvements made to the Premises by either party hereto shall be made only in a good and workmanlike manner using new materials of the same general quality as the original improvements, and in accordance with all applicable building codes and the Applicable Public Housing Requirements.

Section 14.2 No Liens.

Tenant shall not have any right, authority or power to bind Landlord, the Premises or any other interest of Landlord in the Premises and will pay or cause to be paid all costs and charges for work done by it or caused to be done by it, in or to the Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Development or any change, alteration or addition thereto. Any lien that is not released or bonded within thirty (30) days shall constitute an Event of Default under Section 17.2 hereof.

ARTICLE 15 – SURRENDER

Section 15.1 Expiration of Term.

At the end of this Lease (whether upon the expiration date or sooner termination), Tenant will surrender the Premises in its then "as-is" condition. Tenant may remove any movable equipment or furniture from any management office on the Premises, provided that no federal, state or local government funds or Landlord funds were used to acquire such furniture, equipment, or both.

ARTICLE 16 – CASUALTY, CONDEMNATION

Section 16.1 Damage or Destruction to Premises.

Tenant shall give prompt written notice to Landlord after the occurrence of any fire, earthquake, act of God or other casualty to or in connection with the Premises, the Development or any portion thereof. Subject to Section 16.2 hereof, if during the Term, the Development shall be damaged or destroyed by casualty, Tenant shall repair or restore the Development as provided for in the R&O Agreement and any financing documents secured by a Leasehold Mortgage, if applicable, so long as it is lawful, and all Leasehold Mortgagees and HUD, where applicable, agree that it is feasible to do so and adequate insurance proceeds are made available to Tenant to complete such repairs and restoration. Upon the occurrence of any such casualty, Tenant, promptly and with all due diligence, shall, subject to the R&O Agreement, any financing document secured by a Leasehold Mortgage, if applicable, and the operating agreement of Tenant, apply for and collect all applicable insurance proceeds recoverable with respect to such casualty, for the benefit of any Leasehold Mortgagees, if applicable. In the event that more than twenty percent (20%) of the value of the Development, the Premises, or both are damaged or destroyed, and Tenant shall determine, subject to the rights of the holders of any Leasehold Mortgage, if applicable, and shall notify Landlord in writing within thirty (30) days after receipt by Tenant of any such insurance proceeds, that it is not economically practical to restore the Premises to substantially the same condition in which they existed prior to the occurrence of such casualty, Tenant may terminate this Lease as of a date that is not less than thirty (30) days after the date of such notice. If Tenant terminates this Lease pursuant to this Section, Tenant shall surrender possession of the Premises to Landlord immediately and assign to Landlord (or, if same has already been received by Tenant, pay to Landlord) all of its right, title, and interest in and to the proceeds from Tenant's insurance upon the Premises, subject to the prior rights of any Leasehold Mortgagees, as referenced in Section 16.2 hereof. Notwithstanding anything in this Lease to the contrary, if any portion of this Article 16 conflicts with Section 11 of the Mixed-Finance ACC Amendment, the provisions of Section 11 of the Mixed-Finance ACC Amendment shall control.

Section 16.2 Distribution.

In the event that this Lease is terminated (in whole or in part) pursuant to Section 16.1 hereof, the insurance proceeds received as the result of the subject casualty shall be distributed and disbursed as provided in Section 11 of the Mixed-Finance ACC Amendment.

Section 16.3 Condemnation.

(a) If, by exercise of the right of eminent domain or by conveyance made in response to the threat of the exercise of such right (in either case a "Taking"), all of the Premises are taken, or if so much of the Premises are taken that the Premises cannot be used by Tenant in a commercially reasonable manner for the purposes for which they were used immediately before the Taking, then this Lease shall, at Tenant's sole option, subject to the rights of any Leasehold Mortgagee, if applicable, terminate on the earlier of the vesting title to the Premises in the condemning authority, or the taking of possession of the Premises by the condemning authority.

(b) Landlord and Tenant agree that, in the event of a Taking that does not result in the termination of this Lease pursuant to this Article, this Lease shall continue in effect as to the remainder of the Premises and the Development, and the net amounts owed or paid to the parties or to which either of the parties may be or become entitled by reason of any Taking pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Taking, less any costs and expenses incurred by the Parties in collecting such award or payment (the "Net Condemnation Award") shall be distributed and disbursed as provided in the ACC, the R&O Agreement, applicable laws and regulations, or any combination thereof. However, if the distribution is not covered by one or more of the preceding instruments, then as follows: (i) first to any Leasehold Mortgagee in an amount sufficient to satisfy the terms and conditions of the Leasehold Mortgage, if applicable, if required, and (ii) to the extent permitted by the foregoing instruments, in accordance with Section 16.3(d) hereof. Notwithstanding the foregoing, to the extent permitted in any Leasehold Mortgage, if applicable, the Net Condemnation Award shall be used by Tenant to make the remainder of the Premises a complete, unified and efficient operating unit as nearly as reasonably possible to the condition existing prior to the Taking, subject to any applicable requirements of any Leasehold Mortgage, if applicable. However, Tenant is not obligated to expend any sums to restore the Premises that are in excess of the Net Condemnation Award made available to it for that purpose.

(c) If there shall be a temporary Taking with respect to all or any part of the Premises or of Tenant's interest in this Lease, then the Term shall not be reduced and Tenant shall continue to pay in full all charges required herein except Operating Expenses attributable to the taken property, without reduction or abatement thereof at the times herein specified; provided, however, that Tenant shall not be required to perform such obligations that Tenant is prevented from performing by reason of such temporary Taking.

(d) If there is a Taking, whether whole or partial, Landlord (solely in its capacity as Landlord under this Lease and not in its capacity, if applicable, as maker of any loan to Tenant) and Tenant shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, subject to the rights of any Leasehold Mortgagee, taking into consideration the fact that Landlord's interest in the Premises is limited to the land and the Development, for which Landlord shall have contributed an amount toward the construction thereof (the actual aggregate amount so contributed being referred to as the "Landlord's Contribution,") as encumbered by this Lease, and a reversionary interest in the Premises and the Development upon the expiration of the Term. If the Premises shall be restored as is contemplated in Section 16.3(b) hereof, Tenant shall be entitled to recover the costs and expenses incurred in such restoration out of any Net Condemnation Award. Thereafter, if the condemning authority does not make separate awards, the Parties agree that any Net Condemnation Award will be allocated between them on a proportionate basis, taking into account the portion of Landlord's Contribution that has not been repaid to Landlord. If the Parties are unable to agree as to the exact percentage of such allocation or if such allocation is no longer applicable because of the repayment of Landlord's Contribution, and the Parties are unable to agree as to the amounts that are to be allocated to the respective interests of each party, then each party shall select an independent M.A.I. real estate appraiser (an "Appraiser"). Each Appraiser shall separately determine the amount of the balance of the Net Condemnation Award allocated to each party. If the percentage allocated to Landlord by one Appraiser is within ten

percent (10%) of the percentage allocated to Landlord by the other Appraiser, then the two percentage allocations shall be averaged and such average percentage shall be the percentage allocated to Landlord, with the remaining percentage of the balance of the Net Condemnation Award to be allocated to Tenant. If the percentage allocated to Landlord by an Appraiser is not within ten percent (10%) of that allocated to Landlord by the other Appraiser, then the two Appraisers shall select a third appraiser, who shall independently determine the percentage of the balance of the Net Condemnation Award that should be allocated to each party, and the average of the percentages determined by the three Appraisers to be allocable to Landlord shall be the percentage that is allocated to Landlord and the remaining percentage of the balance of the Net Condemnation Award shall be allocated to Tenant.

(e) Landlord and Tenant agree that all then-existing Leasehold Mortgagees, to the extent permitted by law and to the extent their interests are affected by the Taking, shall be made a party to any Taking proceeding.

ARTICLE 17 – DEFAULT AND REMEDIES

Section 17.1 Landlord's Right to Perform.

(a) Landlord's Option. If Tenant fails to pay when due amounts payable under this Lease within the time permitted for its performance, then Landlord, after fifteen (15) calendar days' prior written notice to Tenant and without waiving any of its rights under this Lease, may (but will not be required to) pay such amount, unless Tenant notifies Landlord in writing during such fifteen (15) calendar day period that Tenant is withholding the subject payment due to a dispute as to the legitimacy or correctness of same and takes steps reasonably necessary to protect Landlord's interests. In the event any such dispute results in litigation, then Tenant shall deposit the disputed amount in the registry of the court having jurisdiction over the litigation. If Tenant fails to perform any of its other obligations under this Lease within the time permitted for its performance, then Landlord, after thirty (30) calendar days' prior written notice to Tenant and without waiving any of its rights under this Lease, may (but will not be required to) perform such obligation, unless Tenant notifies Landlord in writing during such thirty (30) calendar day period that Tenant is withholding the subject performance due to a dispute as to the legitimacy or correctness of same and takes steps reasonably necessary to protect Landlord's interests or that Tenant has commenced the curing of such default within such thirty (30) calendar day period and shall prosecute in good faith the curing of same continuously thereafter until the same is, in fact, cured.

(b) Landlord's Reimbursement. All amounts which Tenant is obligated to pay under this Lease, which if not paid may be paid by Landlord, and all reasonable costs and expenses incurred by Landlord in connection with the performance of any such Tenant obligations will be payable by Tenant to Landlord within thirty (30) calendar days after Landlord has notified Tenant in writing of the amounts incurred by Landlord on its behalf and shall constitute additional obligations of Tenant to Landlord, with interest accrued thereon at the rate equal to two percent (2%) above the prime rate then in effect, as published from time to time in the Wall Street Journal. Landlord shall provide Tenant with invoices and other reasonable evidence of the amounts paid or incurred by Landlord in connection with its exercise of its rights pursuant to this Article.

Section 17.2 Events of Default.

At the option of Landlord, the occurrence of any of the following events shall constitute and are defined as an "Event of Default" by Tenant:

(a) Tenant fails to cause the Commencement Date to occur within eleven (11) months following the Effective Date.

(b) Tenant defaults in the due and punctual payment of the Capitalized Lease Payment or of any amounts due under this Lease, and such default continues for fifteen (15) calendar days after written notice from Landlord, unless Tenant notifies Landlord in writing during such fifteen (15) calendar day period that Tenant is withholding the subject payment or performance due to a dispute as to the legitimacy or correctness of same and takes steps reasonably necessary to protect Landlord's interests; or

(c) Tenant vacates (except by reason of casualty or condemnation) the Premises for a period of more than thirty (30) consecutive days, or abandons the Premises; or

(d) This Lease or the Premises or any part of the Premises are taken upon execution or by other process of law directed against Tenant, or are taken upon or subjected to any attachment by any creditor of Tenant or claimant against Tenant, and such attachment is not discharged or bonded off within ninety (90) calendar days after its levy; or

(e) Tenant breaches any of the other agreements, terms, covenants, or conditions which this Lease requires Tenant to perform, including without limitation the provisions of Article 12 hereof, and such breach continues for a period of thirty (30) calendar days after notice by Landlord to Tenant; provided, however, if the nature of the breach is such that it cannot be cured by Tenant reasonably within the period of thirty (30) calendar days, Tenant shall not be deemed in default of this Lease if Tenant commences the curing of such default within such period of thirty (30) days and prosecutes in good faith the curing of same continuously thereafter until the same is, in fact, cured; or

(f) Tenant fails to complete construction of the Development by the completion date and in accordance with closing documents to be entered into by the Parties at a closing on the financing for the Development; or

(g) Tenant fails to operate and maintain the HUD-approved number of Mixed Finance Public Housing Units (and the approved number of bedrooms) in accordance with all Applicable Public Housing Requirements, including the R&O Agreement; or

(h) A lien is placed on the Premises, with the exception of any Permitted Encumbrances, if applicable, approved in writing by Landlord, that is not released or bonded no later than thirty (30) days of filing; or

(i) Tenant uses the Premises for uses other than the permitted use provided for in Section 9.1 hereof; or

(j) Tenant makes any assignment in violation of this Lease.

Section 17.3 Remedy.

If any one or more Events of Default set forth in Section 17.2 hereof occurs, and continues beyond the applicable grace or cure periods, then Landlord may, at Landlord's sole and exclusive remedy, at law or in equity, but subject in all respects to the rights of any holder of a Leasehold Mortgage, if applicable, as set forth in Article 12 hereof, terminate this Lease by written notice to Tenant of its intention to terminate this Lease on the date (including any cure period described above) specified in such notice, and, on the date specified in such notice, Tenant's right to possession of the Premises and the Development will cease and the estate conveyed by this Lease shall re-vest in Landlord. Notwithstanding anything herein to the contrary, if an Event of Default set forth in Section 17.2(a) hereof occurs, then Landlord shall, at Landlord's sole and exclusive remedy, at law or in equity, terminate this Lease by written notice to Tenant of its intention to terminate this Lease on the date specified in such notice, and, on the date specified in such notice, Tenant's right to possession of the Premises and the Development will cease and the estate conveyed by this Lease shall re-vest in Landlord.

Section 17.4 Tenant's Right to Perform.

(a) Right to Perform Covenants. If Landlord shall, at any time, fail to perform any of its obligations hereunder or be in breach of any of its representations and warranties herein, Tenant shall, except in the event of an emergency, provide Landlord with notice of such default, and if Landlord does not commence action to cure any such default within the time period specified below after the giving of such notice, or immediately, in the event of an emergency, then Tenant may, without any obligation so to do and without waiving or releasing any obligation of Landlord contained in this Lease, take such actions and make such payment as may be necessary or appropriate to fulfill Landlord's obligations or otherwise cure any default of Landlord hereunder. In case of emergency, Tenant shall nevertheless make every effort to provide notice of default to Landlord. Where no emergency exists, and after giving notice to Landlord, Tenant shall allow Landlord ten (10) calendar days to commence a cure, unless Tenant's interests would be jeopardized by such delay.

(b) Costs and Expenses. All reasonable sums so paid by Tenant and all reasonable and essential costs and expenses incurred by Tenant in connection with the performance of any of the obligations of Landlord hereunder, or on account of any breach by Landlord of its representations and warranties herein shall be payable by Landlord to Tenant, but only after Tenant provides Landlord with invoices and other evidence of the amounts paid and essential expenses incurred by Tenant in connection with its reasonable exercise of its rights pursuant to this Article.

Article 17.5 Excusable Delay.

Any time deadline or limitation shall be subject to extension for any delay that arises from unforeseeable causes beyond the reasonable control and without the fault or negligence of Landlord or Tenant. Examples of such cause include, without limitation, (a) acts of God, or public enemy, (b) acts or failure to act by HUD or other governmental entity in either their sovereign or contractual capacity, to the extent action by HUD or other governmental entity is required hereunder, provided that the party hereunder seeking such action by HUD or other

governmental entity properly requests same in a timely manner and thereafter diligently pursues same, (c) acts or failure to act of a contractor in the performance of a contract with Landlord or Tenant, provided that the party hereunder seeking such action by the contractor properly requests same in a timely manner and thereafter diligently pursues same, (d) fires, (e) floods, (f) epidemics, (g) quarantine restrictions, (h) strikes or labor disputes, (i) freight embargoes, (j) unusually severe weather, (k) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the reasonable control and without the fault or negligence of Landlord or Tenant, as applicable, (l) delays caused by litigation commenced by someone other than Landlord, and Leasehold Mortgagees, and (m) unusual disruptions in financial markets.

Section 17.6 HUD's Rights on Event of Default.

Upon the occurrence of an Event of Default that also constitutes a substantial default under the ACC, acting in accordance with its rights under the ACC, HUD may:

(a) require Landlord to convey to HUD its fee simple interest in the Development, and, subject to compliance with the terms and conditions of Section 17.6(e) hereof, ensure Tenant's conveyance to HUD of its leasehold interest in the Development, if, in HUD's determination (which determination shall be final and conclusive), such conveyance of its title is necessary to achieve the purpose of the Act; or

(b) subject to the terms and conditions of Section 17.6(e) hereof, require Tenant to deliver possession and control of the Development to HUD; or

(c) exercise any right or remedy existing under applicable law, or available at equity, HUD's exercise or non-exercise of any right or remedy, under the ACC shall not be construed as a waiver of HUD's right to exercise that or any other right or remedy at any time.

(d) If HUD acquires title to, or possession of, the Development, HUD shall reconvey, or redeliver possession of, the Development to Landlord or Tenant in accordance with their respective interests in the Development, (i) upon a determination by HUD that the substantial default under the ACC has been cured and that the Development will thereafter be operated in accordance with the terms of the ACC; or (ii) after the termination of HUD's obligation to make annual contributions available, unless there are any obligations or covenants of Landlord to HUD that are then in default.

(e) During the Term, and so long as Tenant shall not be in default of its obligations hereunder, HUD agrees that in the event of a substantial default by Landlord under the ACC, HUD shall exercise any remedies or sanctions authorized under the ACC, including taking possession of Landlord's interest in the Development, in such a manner as not to disturb Tenant's rights under this Lease or the R&O Agreement.

ARTICLE 18 – MISCELLANEOUS

Section 18.1 No Brokers.

Landlord and Tenant each represents and warrants to the other that it has not dealt with any broker or finder with regard to the Premises or this Lease. Each party shall indemnify the

other party from and against any damages resulting from any losses, costs, commissions and/or reasonable attorneys' fees incurred as a result of the indemnifying party's breach of the foregoing representation and warranty.

Section 18.2 Recordation.

After the Commencement Date, Landlord and Tenant shall record a Memorandum of this Lease among the Land Records of the County in the form provided herein as Exhibit B. At the expiration of the Term, Tenant shall execute a quitclaim termination of its interest in this Lease.

Section 18.3 Time of Essence.

Subject to Section 17.5 hereof, time is of the essence of each and every provision of this Lease.

Section 18.4 No Waiver.

No waiver of any condition or agreement in this Lease by either Landlord or Tenant will imply or constitute a further waiver by such party of the same or any other condition or agreement. No act or thing done by Landlord or Landlord's agents during the Term will be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender will be valid unless in writing signed by Landlord. Neither payment by Tenant, nor receipt from Landlord, of a lesser amount than any charges stipulated in this Lease will be deemed to be anything other than a payment on account of the same, and to the earliest due of the same. No endorsement or statement on any check, or any letter accompanying any check or payment will be deemed an accord and satisfaction. Landlord will accept such check for payment without prejudice to Landlord's rights to recover the balance of such amounts due or to pursue any other remedy available to Landlord. If this Lease is assigned, or if the Premises or any parts of the Premises are sublet or occupied by anyone other than Tenant, Landlord may collect any amounts due to Landlord under this Lease from the assignee, subtenant, or occupant and apply the net amount collected to the amount due under this Lease. No such collection will be deemed a waiver of the covenant in this Lease against assignment and subletting, or the acceptance of assignee, subtenant, or occupant of Tenant, or a release of Tenant from the complete performance by Tenant to its covenants in this Lease.

Section 18.5 Joint and Several Liability.

The liability of Tenant under this Lease is limited to Tenant's interest in the Premises. Neither Tenant, nor any member of Tenant, or any affiliate thereof, nor any officer, director, shareholder or employee of any of said entities, shall have any personal liability hereunder.

Section 18.6 Captions and Gender.

The captions are inserted in this Lease only for convenience of reference and do not define, limit, or describe the scope or intent of any provisions of this Lease. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine, and neuter adjectives include one another.

Section 18.7 Entire Agreement.

Except for those that specifically set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to one another with respect to this Lease.

Section 18.8 Amendment.

This Lease can be amended only by a written document agreed to and signed by Landlord and Tenant, the approval of which both Landlord and Tenant mutually agree not to unreasonably withhold, delay or condition, and with the written approval of the Equity Investor and all Leasehold Mortgagees, if applicable, and with the prior written approval of HUD, and provided that no amendment shall impair the obligations of Tenant to develop and operate the Development in accordance with the Applicable Public Housing Requirements.

Section 18.9 Severability.

If any provision of this Lease is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as a part of this Lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, or enforceable provided such severability does not materially affect the basic understanding of the parties hereto as reflected in this Agreement.

Section 18.10 Notices.

Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease shall be in writing and shall be deemed given when (i) received, if delivered by hand (ii) sent by registered or certified mail, return receipt requested, (iii) sent by recognized overnight delivery services such as Federal Express, or (iv) transmitted by facsimile or electronic mail, provided such notice is also sent simultaneously in the manner provided for in (i), (ii), or (iii) above, addressed as follows:

If to Tenant:	HTG Heron Estates Senior, LLC 3225 Aviation Avenue, Suite 602 Coconut Grove, Florida 33133 Attention: Matthew Rieger, Manager
If to Landlord:	Riviera Beach Housing Authority 2014 West 17th Court Riviera Beach, Florida 33404 Attention: John W. Hurt, Executive Director
With a copy to:	Saxon Gilmore & Carraway, P.A. 201 E. Kennedy Boulevard, Suite 600 Tampa, FL 33602 Attention: Bernice S. Saxon, Esq.

Any notices to be provided to HUD shall be provided in the format described above, to:

U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410
Attention: Assistant Secretary of Public and Indian
Housing

A party may change its address or to whom a copy should be sent by giving written notice to the other Parties as specified herein. Landlord shall also provide written notice to any Leasehold Mortgagee, if applicable, in accordance with Section 12.3 hereof.

Section 18.11 Waiver of Jury Trial.

Subject to HUD's approval, if required, Landlord and Tenant may waive trial by jury, by mutual consent, in any action, proceeding or counterclaim brought by one against the other on all matters arising out of this Lease or the use and occupancy of the Premises.

Section 18.12 Cooperation.

Landlord and Tenant agree that they will reasonably cooperate with one another in all respects in furtherance of the development of the Premises. In particular, Landlord recognizes that the varied sources of project funding make it extremely difficult to anticipate every potential provision that may be required in this Lease. From time to time, Tenant may request modifications to the Lease to satisfy the requirements of financing sources, which financing sources include without limitation, private lenders, equity sources, and governmental agencies. Landlord will use all reasonable efforts to accommodate the requests of such financing sources and will not unreasonably withhold or delay its approval and execution of modifications to this Lease which do not materially and adversely alter the basic terms hereof. Nothing herein shall impose upon Landlord any requirement to approve any modification or amendment to the Lease which would violate or contravene any applicable laws or any contract or agreement to which Landlord is a party or which is binding on Landlord, including, without limitation, obtaining any required pre-approval by HUD. Landlord agrees that it will, upon request of Tenant, from time to time, but not more frequently than once a year, enter into an amended and restated lease combining into one document the entire Lease and all amendments and modifications theretofore entered into. In addition, Landlord or Tenant, as the case may be, shall execute, acknowledge and deliver to the other and/or to each Leasehold Mortgagee, promptly upon request, its certificate certifying (i) that the Lease is unmodified and in full force and effect, (or, if there have been modifications, that this Lease is in full force and effect, as modified, and describing the modifications), (ii) the dates, if any, to which any amounts due under this Lease have been paid, (iii) whether there are the existing any charges, offsets or defenses against the enforcement by Landlord or Tenant to be performed or observed and, if so, specifying the same, (iv) whether there are then existing any defaults by Tenant or Landlord in the performance or observance by Tenant or Landlord of any agreement, covenant or condition hereof on the part of Tenant or Landlord to be performed or observed and whether any notice has been given to Tenant or

Landlord of any default which has not been cured, and, if so, specifying the same, and (v) any other items reasonably requested by the Equity Investor or any Leasehold Mortgagee.

Section 18.13 Additional Releases, Utility Easements.

Landlord and Tenant acknowledge and agree that, in connection with the Development on the Premises, new roads may need to be built and new utilities may need to be installed in the Premises. In connection therewith, Landlord agrees to (i) participate in the dedication of such roads, execute and record all documents necessary to accomplish same, and release such portions of the Premises from this Lease, and (ii) grant all easements as may be necessary in connection with the installation of the utilities, execute and record all documents necessary to accomplish same, and, if appropriate, release such utility easement areas from this Lease.

Section 18.14 Governing Law and Venue.

This Lease will be governed by and construed in accordance with the internal laws of the State of Florida, without regard to principles of conflicts of laws. However, federal law shall apply to provisions required by federal statutes, regulations or guidelines. In the event of litigation, the parties agree that venue for the prosecution of any state court proceedings shall be in the County, and any federal court proceeding shall be in the Southern District of Florida.

Section 18.15 Cumulative Rights.

Except, as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 18.16 Non-Merger.

Except upon expiration of the Term or upon termination of this Lease pursuant to an express right of termination set forth herein, there shall be no merger of either this Lease or Tenant's estate created hereunder with the fee estate of the Premises or any part thereof by reason of the facts that the same person may acquire, own or hold, directly or indirectly, (i) this Lease, Tenant's estate created hereunder or any interest in this Lease or Tenant's estate (including the Development), and (ii) the fee estate in the Premises or any part thereof or any interest in such fee estate (including the Development), unless and until all persons, including any assignee of Landlord, having an interest in (a) this Lease or Tenant's estate created hereunder, and (b) the fee estate in the Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

Section 18.17 No Third Party Beneficiary.

Nothing contained in this Lease or in any agreement or contract between the Parties, nor will any act of HUD, Landlord or Tenant be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture or any association or relationship involving HUD.

Section 18.18 Loan of Portion of HOPE VI Grant (if applicable).

Tenant and Landlord acknowledge that a transfer of a portion of the HOPE VI grant (if applicable) shall not be deemed to be an assignment of the HOPE VI grant (if applicable), and Tenant will not succeed to any rights or benefits of Landlord, including under the HOPE VI grant (if applicable) between Landlord and HUD relating to the Development, or attain any privileges, authorities, interests or rights in the HOPE VI grant (if applicable).

Section 18.19 Quiet Enjoyment.

Tenant, upon paying the Capitalized Lease Payment and keeping, observing and performing all of the terms, covenants, agreements, provisions, conditions and limitations of this Lease on Tenant's part to be kept, observed and performed, shall quietly have and enjoy the Premises during the Term without hindrance or molestation by anyone, lawfully claiming by, under or through Landlord, subject, however, to the Permitted Encumbrances, reservations and conditions of this Lease.

Section 18.20 Counterparts.

This Lease may be executed in any number of counterparts, and each such counterpart will for all purposes be deemed an original, and all such counterparts shall constitute one and the same instrument. In order to expedite the transaction contemplated herein, facsimile or electronic signatures may be used in place of original signatures on this Lease. Landlord and Tenant intend to be bound by the signatures on the facsimile or electronically transmitted document, are aware that the other parties shall rely on the facsimile or electronic signatures, and hereby waive any defenses to the enforcement of the terms of this Lease based on the form of signature.

Section 18.21 Litigation Fees.

If Landlord and Tenant litigate any provision of this Lease or the subject matter of this Lease, the unsuccessful litigant will pay to the successful litigant all reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees and court costs, actually incurred by the successful litigant at trial and on any appeal. Payment of any litigation cost or expense is subject to HUD's approval. Settlement of any such litigation is subject to HUD's approval.

Section 18.22 Limited Liability of Landlord.

Tenant shall look solely to Landlord's interest in the Premises for the satisfaction of any claims against Landlord, or its employees, agents, or assigns for the satisfaction of any claims, if permitted by law, arising pursuant to this Lease.

Section 18.23 Access.

Tenant agrees to grant a right of access to Landlord, HUD, the Comptroller General of the United States, or any of their authorized representatives, during regular business hours with respect to any books, documents, papers, or other records related to this Lease in order to make audits, examinations, excerpts, and transcripts.

Section 18.24 Disclaimer of Partnership Status.

(a) Tenant and Landlord acknowledge that the proposed transfer to Tenant, or to any other participating party in the Development, of public housing funds for the development and operation of the Mixed Finance Public Housing Units covered under this Lease shall not be deemed to be an assignment of such funds. Accordingly, neither Tenant, nor any other participating party, shall succeed to any rights or benefits of Landlord under the ACC, the Mixed-Finance ACC Amendment or the HOPE VI grant (if applicable). Tenant further agrees to include this disclaimer in each of its agreements or contracts with any partner, member, participating party, or any other party involving the use of public housing funds for the Development.

(b) Nothing contained in the ACC, the Mixed-Finance ACC Amendment, or the HOPE VI grant (if applicable), or in any agreement between Landlord and Tenant, nor any act of HUD or Landlord, shall be deemed or construed to create any relationship of third-party beneficiary, principal or agent, limited or general partnership, or joint venture involving HUD.

Section 18.25 Conflicts.

In the event of a conflict or inconsistency between any requirement contained in this Lease (or between any requirement contained in any document referred to in this Lease, including any Leasehold Mortgage, if applicable), and the Applicable Public Housing Requirements, the Applicable Public Housing Requirements shall in all instances be controlling.

[Signature Pages Follow]

e:\riviera beach ha\heron senior\form\second amended and restated ground lease 121216 jvc.doc

IN WITNESS WHEREOF, this Lease has been executed as of the Effective Date.

WITNESSES:

LANDLORD

RIVIERA BEACH HOUSING AUTHORITY, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes

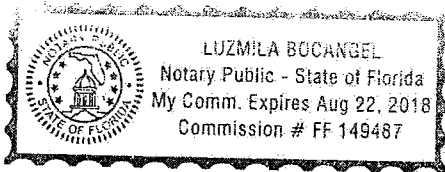
[Signature]
Print Name: HAROLD SERENET

By: [Signature]
John W. Hurt, Executive Director

[Signature]
Print Name: ERICA ANDRADE-WATTS

STATE OF FLORIDA
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 15th day of December, 2016, by John W. Hurt, as Executive Director of the Riviera Beach Housing Authority, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes.



[Signature]
Notary Public, State of Florida
Luzmila Bocangel
Print, Type or Stamp Name

Personally Known or Produced Identification
Type of Identification Produced Florida Driver License

WITNESSES:

TENANT

**HTG HERON ESTATES SENIOR, LLC, a
Florida limited liability company**

By: HTG HERON ESTATES SENIOR
MANAGER, LLC, a Florida limited liability
company, its Manager

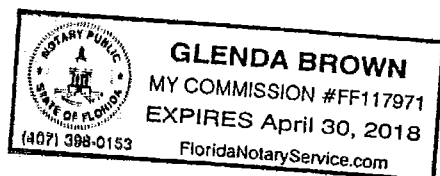
By: [Signature]
Matthew Rieger, Manager

[Signature]
Print Name: Mauricio Teran

[Signature]
Print Name: GRETA PARO

STATE OF Florida
COUNTY OF Miami-Dade

The foregoing instrument was acknowledged before me this 13 day of December, 2016, by Matthew Rieger, as Manager of HTG Heron Estates Senior Manager, LLC, as Manager of HTG Heron Estates Senior, LLC, a Florida limited liability company.



[Signature]
Notary Public, State of Florida
Glenda Brown
Print, Type or Stamp Name

Personally Known ✓ or Produced Identification _____
Type of Identification Produced _____

EXHIBIT A
Property Description

947 Clint Moore Road
Boca Raton, Florida 33487



Tel. (561) 241-8980
Fax: (561) 241-5182

SKETCH AND LEGAL DESCRIPTION (NOT A SURVEY)

PHASE 1 - HERON ESTATES SENIOR

LEGAL DESCRIPTION

ALL OF TRACTS "H", "J", "L", "R", "S", "T", "U" AND "V", TOGETHER WITH A PORTION OF TRACTS "B", "C", "G", "N", "O", "P", "Q" AND "W", "WESTSIDE ESTATES", ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 31, PAGES 81 AND 82, TOGETHER WITH A PORTION OF THE VACATED RIGHT-OF-WAY FOR WEST 17TH COURT, AS RECORDED IN OFFICIAL RECORDS BOOK 18430, PAGE 789, BOTH OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, ALL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING (1) AT THE NORTHEAST CORNER OF SAID TRACT "L"; THENCE SOUTH $02^{\circ}20'13''$ WEST, ALONG THE EAST LINE OF SAID TRACTS "L", "C", "B", "Q", "P" AND "O", A DISTANCE OF 537.40 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE TO THE RIGHT; THENCE SOUTHERLY AND WESTERLY ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 35.00 FEET AND A CENTRAL ANGLE OF $89^{\circ}20'06''$, ALSO BEING THE EAST LINE OF SAID TRACT "O", A DISTANCE OF 54.57 FEET TO THE POINT OF TANGENCY; THENCE NORTH $88^{\circ}19'41''$ WEST, ALONG THE SOUTH LINE OF SAID TRACT "O" AND THE WESTERLY EXTENSION THEREOF, A DISTANCE OF 226.52 FEET; THENCE NORTH $01^{\circ}40'21''$ EAST, A DISTANCE OF 39.80 FEET; THENCE NORTH $88^{\circ}19'39''$ WEST, A DISTANCE OF 11.80 FEET; THENCE NORTH $01^{\circ}17'17''$ EAST, A DISTANCE OF 52.43 FEET; THENCE NORTH $88^{\circ}15'03''$ WEST, A DISTANCE OF 279.88 FEET; THENCE NORTH $21^{\circ}06'09''$ WEST, A DISTANCE OF 108.29 FEET TO A POINT ON THE ARC OF A CIRCULAR CURVE TO THE RIGHT, AT WHICH THE RADIUS POINT BEARS NORTH $77^{\circ}09'32''$ EAST; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 62.55 FEET AND A CENTRAL ANGLE OF $17^{\circ}50'32''$, A DISTANCE OF 19.48 FEET; THENCE NORTH $01^{\circ}05'51''$ WEST, ALONG A NON-TANGENT LINE, A DISTANCE OF 131.94 FEET; THENCE NORTH $21^{\circ}57'45''$ WEST, A DISTANCE OF 14.23 FEET; THENCE NORTH $00^{\circ}19'19''$ EAST, A DISTANCE OF 64.71 FEET; THENCE NORTH $04^{\circ}12'22''$ WEST, A DISTANCE OF 5.99 FEET; THENCE NORTH $00^{\circ}21'53''$ EAST, A DISTANCE OF 17.99 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE TO THE LEFT; THENCE NORTHERLY AND WESTERLY ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 5.00 FEET AND A CENTRAL ANGLE OF $88^{\circ}51'55''$, A DISTANCE OF 7.76 FEET TO THE POINT OF TANGENCY; THENCE NORTH $88^{\circ}30'02''$ WEST, A DISTANCE OF 14.24 FEET; THENCE NORTH $02^{\circ}52'05''$ EAST, A DISTANCE OF 7.06 FEET; THENCE NORTH $01^{\circ}40'21''$ EAST, A DISTANCE OF 114.83 FEET; THENCE SOUTH $88^{\circ}19'41''$

CERTIFICATION

I HEREBY CERTIFY THAT THE SKETCH AND DESCRIPTION SHOWN HEREON COMPLIES WITH MINIMUM TECHNICAL STANDARDS AS CONTAINED IN CHAPTER 5J-17.051, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027, FLORIDA STATUTES, AND THAT SAID SKETCH AND DESCRIPTION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AS PREPARED UNDER MY DIRECTION.

JEFF S. HODAPP
SURVEYOR AND MAPPER
FLORIDA LICENSE NO. LS5111

Project Name:	HERON ESTATES	DATE:	10/27/2015
JOB NO.	12120	DWG BY:	JSH
		CHK BY:	JEK
			SHEET 1 OF 4



947 Clint Moore Road
Boca Raton, Florida 33487

SURVEYING & MAPPING
Certificate of Authorization No. LB7284

Tel: (561) 241-9988
Fax: (561) 241-5182

SKETCH AND LEGAL DESCRIPTION (NOT A SURVEY)

EAST, ALONG THE NORTH LINE OF SAID TRACTS "H", "J" AND "L", A
DISTANCE OF 637.32 FEET TO THE POINT OF BEGINNING (1).

LESS AND EXCEPT THE FOLLOWING PORTION:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT "L"; THENCE
NORTH 88°19'41" WEST, ALONG THE NORTH LINE OF SAID TRACT "L", A
DISTANCE OF 160.05 FEET; THENCE SOUTH 01°40'19" WEST, A DISTANCE OF
235.03 FEET TO THE POINT OF BEGINNING (2); THENCE SOUTH 88°22'56"
EAST, A DISTANCE OF 101.98 FEET; THENCE SOUTH 87°41'36" EAST, A
DISTANCE OF 27.03 FEET; THENCE SOUTH 02°17'04" WEST, A DISTANCE OF
287.77 FEET; THENCE NORTH 88°23'05" WEST, A DISTANCE OF 110.25 FEET;
THENCE NORTH 01°40'16" EAST, A DISTANCE OF 60.44 FEET; THENCE
SOUTH 88°19'45" EAST, A DISTANCE OF 4.34 FEET; THENCE NORTH 01°39'49"
EAST, A DISTANCE OF 187.39 FEET; THENCE NORTH 88°20'11" WEST, A
DISTANCE OF 19.75 FEET; THENCE NORTH 01°19'10" EAST, A DISTANCE OF
40.24 FEET TO THE POINT OF BEGINNING (2).

SAID LANDS SITUATE IN THE CITY OF RIVIERA BEACH, PALM BEACH
COUNTY, FLORIDA, AND CONTAIN 6.525 ACRES, MORE OR LESS.

NOTES

1. REPRODUCTIONS OF THIS SKETCH ARE NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
2. NO SEARCH OF THE PUBLIC RECORDS IS REFLECTED ON THIS SKETCH. FOR THE SAKE OF CLARITY, NO EASEMENTS ARE SHOWN.
3. BEARINGS SHOWN HEREON ARE BASED ON THE STATE PLANE COORDINATE SYSTEM, TRANSVERSE MERCATOR FLORIDA EAST ZONE, BASED ON THE NORTH LINE OF SAID SECTION 31 HAVING A BEARING OF NORTH 88°19'41" WEST, ACCORDING TO DATA GATHERED FROM PALM BEACH COUNTY CONTROL POINTS GUM AND FRIDGE.

ABBREVIATIONS

L	*	ARLENGTH
CONC.	*	CONCRETE
COR.	*	CORNER
D	*	DELTA (CENTRAL ANGLE)
D.E.	*	DRAINAGE EASEMENT
I.R.	*	IRON ROD
I.R.C.	*	IRON ROD AND CAP
L.B.	*	LICENSED BUSINESS
L.S.	*	LICENSED SURVEYOR
MON.	*	MONUMENT
O.R.B.	*	OFFICIAL RECORDS BOOK
P.O.B.	*	POINT OF BEGINNING
P.O.C.	*	POINT OF COMMENCEMENT
P.B.	*	PLAT BOOK
P.B.C.R.	*	PALM BEACH COUNTY RECORDS
PG.	*	PAGE
P.S.W.	*	PROFESSIONAL SURVEYOR & MAPPER
R/W	*	RIGHT-OF-WAY
U.E.	*	UTILITY EASEMENT

JOB NO.	12120	Project Name	HERON ESTATES	DWG BY:	JSH	SCALE:	1"=100'
				CHK'D BY:	JEK	DATE:	10/27/2016
							SHEET 2 OF 4

947 Clint Moore Road
Boca Raton, Florida 33487

PERIMETER
SURVEYING & MAPPING
Certificate of Authorization No. L97264

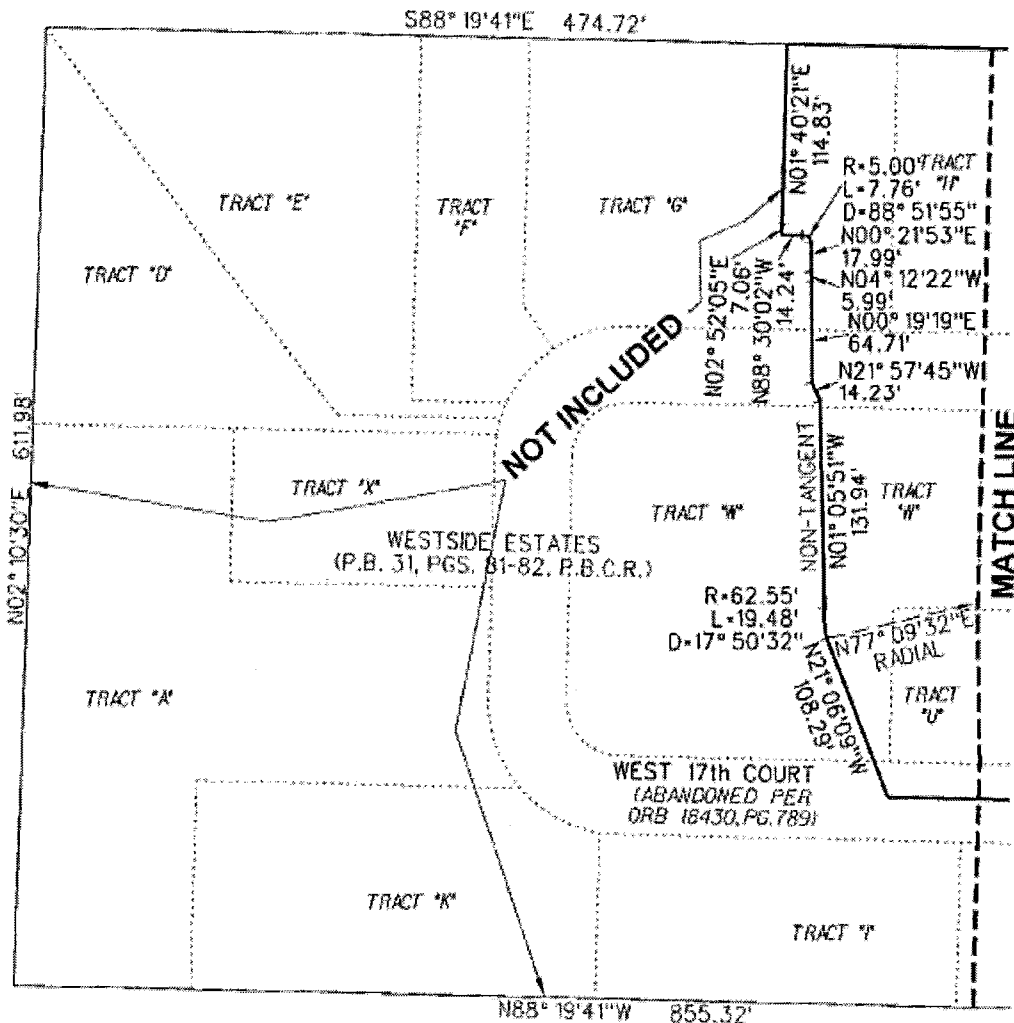
Tel: (561) 241-9986
Fax: (561) 241-5182

**SKETCH AND LEGAL DESCRIPTION
(NOT A SURVEY)**



CONGRESS PARK
(P.B. 52, PGS. 197-198, P.B.C.R.)

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT C-17 CANAL



Job No.	12320	Project Name	HERON ESTATES	DRW BY	JSH	SCALE	1"=100'
				CK'D BY	JLK	DATE	9/27/2016
							SHEET 3 OF 4

SKETCH AND LEGAL DESCRIPTION (NOT A SURVEY)

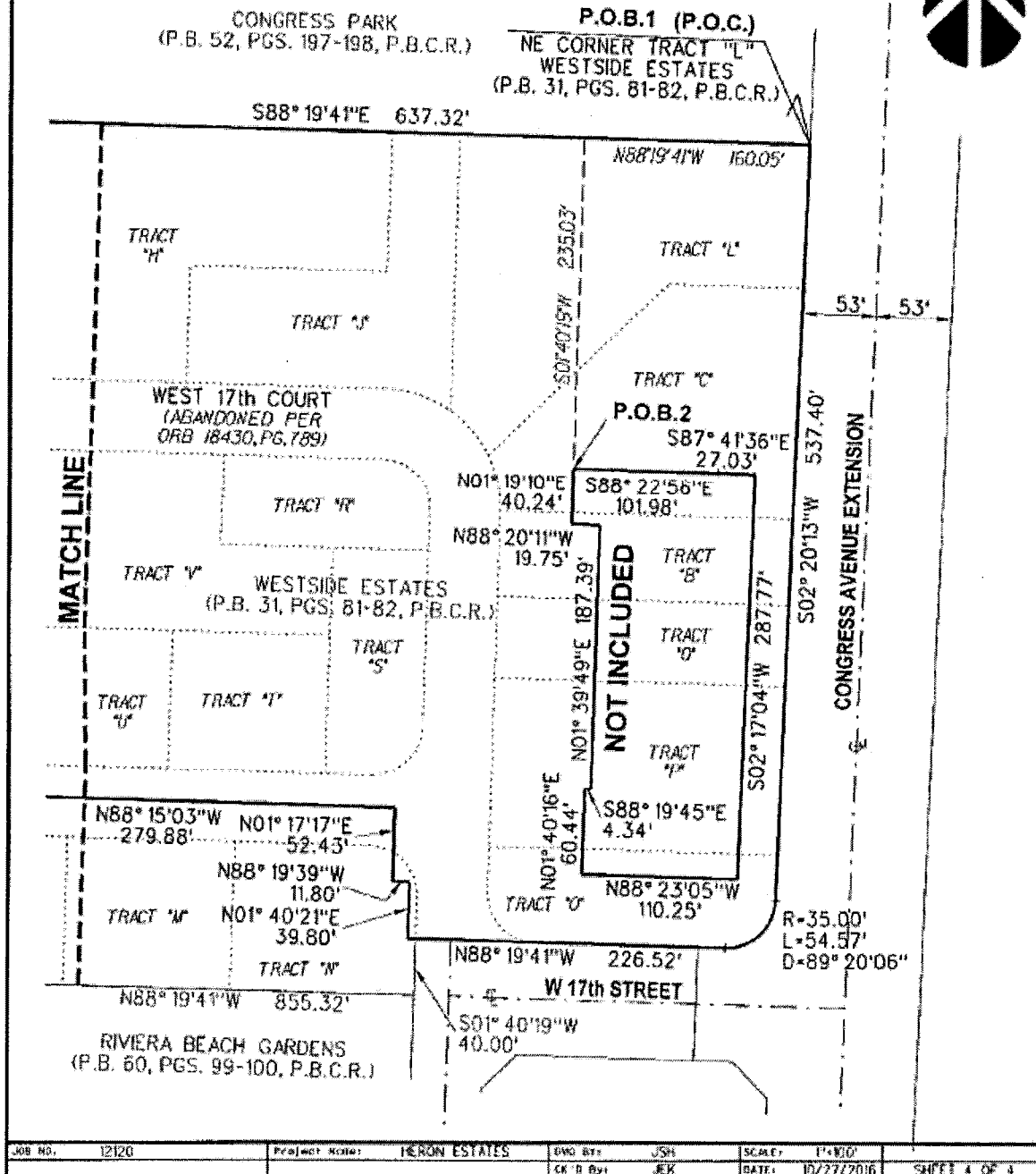


EXHIBIT B

After Recording Return To:
Bernice S. Saxon, Esq.
Saxon Gilmore & Carraway, P.A.
201 E. Kennedy Boulevard, Suite 600
Tampa, FL 33602

MEMORANDUM OF SECOND AMENDED AND RESTATED GROUND LEASE

THIS MEMORANDUM OF SECOND AMENDED AND RESTATED GROUND LEASE is dated as of _____, 2017, by and between the Riviera Beach Housing Authority, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes ("Landlord"), and HTG Heron Estates Senior, LLC, a Florida limited liability company ("Tenant").

WHEREAS, Landlord is leasing to Tenant the premises more particularly described in Exhibit A attached hereto (the "Property"), pursuant to that certain Second Amended and Restated Ground Lease dated as of November 15, 2016, between Landlord and Tenant, as may be amended from time to time (the "Lease"), which Lease is incorporated herein by reference; and

WHEREAS, the term of the Lease is the period beginning on _____, 2017 (the "Commencement Date" pursuant to the Lease), and ending on December 31, 2066, subject to earlier termination as contemplated in the Lease; and

WHEREAS, pursuant to Section 713.10, Florida Statutes, the interest of Landlord in the Property shall not be subject to liens for improvements made by Tenant; and

WHEREAS, Landlord and Tenant by their signatures below do hereby agree that the foregoing accurately describes the Lease entered into by them.

[Signature Pages Follow]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Landlord and Tenant have executed this Memorandum of Second Amended and Restated Ground Lease as of the date first above written.

WITNESSES:

LANDLORD

RIVIERA BEACH HOUSING AUTHORITY, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes

Print Name: _____

By: _____
John W. Hurt, Executive Director

Print Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by John W. Hurt, as Executive Director of the Riviera Beach Housing Authority, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes.

Notary Public, State of Florida

Print, Type or Stamp Name

Personally Known____ or Produced Identification____
Type of Identification Produced_____

WITNESSES:

TENANT

HTG HERON ESTATES SENIOR, LLC, a
Florida limited liability company

By: HTG HERON ESTATES SENIOR
MANAGER, LLC, a Florida limited liability
company, its Manager

By: _____
Matthew Rieger, Manager

Print Name: _____

Print Name: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____,
2017, by Matthew Rieger, as Manager of HTG Heron Estates Senior Manager, LLC, as Manager
of HTG Heron Estates Senior, LLC, a Florida limited liability company.

Notary Public, State of Florida

Print, Type or Stamp Name

Personally Known _____ or Produced Identification _____
Type of Identification Produced _____

EXHIBIT A
Property Description

947 Clint Moore Road
Boca Raton, Florida 33487



Tel: (561) 241-9980
Fax: (561) 241-5182

SKETCH AND LEGAL DESCRIPTION (NOT A SURVEY)

PHASE 1 - HERON ESTATES SENIOR

LEGAL DESCRIPTION

ALL OF TRACTS "H", "J", "L", "R", "S", "T", "U" AND "V", TOGETHER WITH A PORTION OF TRACTS "B", "C", "G", "N", "O", "P", "Q" AND "W", "WESTSIDE ESTATES", ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 31, PAGES 81 AND 82, TOGETHER WITH A PORTION OF THE VACATED RIGHT-OF-WAY FOR WEST 17TH COURT, AS RECORDED IN OFFICIAL RECORDS BOOK 18430, PAGE 789, BOTH OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, ALL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING (1) AT THE NORTHEAST CORNER OF SAID TRACT "L"; THENCE SOUTH $02^{\circ}20'13''$ WEST, ALONG THE EAST LINE OF SAID TRACTS "L", "C", "B", "Q", "P" AND "O", A DISTANCE OF 537.40 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE TO THE RIGHT; THENCE SOUTHERLY AND WESTERLY ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 35.00 FEET AND A CENTRAL ANGLE OF $89^{\circ}20'06''$, ALSO BEING THE EAST LINE OF SAID TRACT "O", A DISTANCE OF 54.57 FEET TO THE POINT OF TANGENCY; THENCE NORTH $88^{\circ}19'41''$ WEST, ALONG THE SOUTH LINE OF SAID TRACT "O" AND THE WESTERLY EXTENSION THEREOF, A DISTANCE OF 226.52 FEET; THENCE NORTH $01^{\circ}40'21''$ EAST, A DISTANCE OF 39.80 FEET; THENCE NORTH $88^{\circ}19'39''$ WEST, A DISTANCE OF 11.80 FEET; THENCE NORTH $01^{\circ}17'17''$ EAST, A DISTANCE OF 52.43 FEET; THENCE NORTH $88^{\circ}15'03''$ WEST, A DISTANCE OF 279.88 FEET; THENCE NORTH $21^{\circ}06'09''$ WEST, A DISTANCE OF 108.29 FEET TO A POINT ON THE ARC OF A CIRCULAR CURVE TO THE RIGHT, AT WHICH THE RADIUS POINT BEARS NORTH $77^{\circ}09'32''$ EAST; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 62.55 FEET AND A CENTRAL ANGLE OF $17^{\circ}50'32''$, A DISTANCE OF 19.48 FEET; THENCE NORTH $01^{\circ}05'51''$ WEST, ALONG A NON-TANGENT LINE, A DISTANCE OF 131.94 FEET; THENCE NORTH $21^{\circ}57'45''$ WEST, A DISTANCE OF 14.23 FEET; THENCE NORTH $00^{\circ}19'19''$ EAST, A DISTANCE OF 64.71 FEET; THENCE NORTH $04^{\circ}12'22''$ WEST, A DISTANCE OF 5.99 FEET; THENCE NORTH $00^{\circ}21'53''$ EAST, A DISTANCE OF 17.99 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE TO THE LEFT; THENCE NORTHERLY AND WESTERLY ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 5.00 FEET AND A CENTRAL ANGLE OF $88^{\circ}51'55''$, A DISTANCE OF 7.76 FEET TO THE POINT OF TANGENCY; THENCE NORTH $88^{\circ}30'02''$ WEST, A DISTANCE OF 14.24 FEET; THENCE NORTH $02^{\circ}52'05''$ EAST, A DISTANCE OF 7.06 FEET; THENCE NORTH $01^{\circ}40'21''$ EAST, A DISTANCE OF 114.83 FEET; THENCE SOUTH $88^{\circ}19'41''$

CERTIFICATION

I HEREBY CERTIFY THAT THE SKETCH AND DESCRIPTION SHOWN HEREON COMPLIES WITH MINIMUM TECHNICAL STANDARDS AS CONTAINED IN CHAPTER 5J-17.051, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027, FLORIDA STATUTES, AND THAT SAID SKETCH AND DESCRIPTION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AS PREPARED UNDER MY DIRECTION.

JEFF S. HODAPP
SURVEYOR AND MAPPER
FLORIDA LICENSE NO. LS5111

Project Name:	HERON ESTATES	DATE:	10/27/2016
JOB NO.	12120	DWG BY:	JSH
		CHK'D BY:	JEK
			SHEET 1 OF 4

947 Clint Moore Road
Boca Raton, Florida 33487



SURVEYING & MAPPING
Certificate of Authorization No. LB7264

Tel: (561) 241-9988
Fax: (561) 241-5182

SKETCH AND LEGAL DESCRIPTION (NOT A SURVEY)

EAST, ALONG THE NORTH LINE OF SAID TRACTS "H", "J" AND "L", A
DISTANCE OF 637.32 FEET TO THE POINT OF BEGINNING (1).

LESS AND EXCEPT THE FOLLOWING PORTION:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT "L"; THENCE
NORTH 88°19'41" WEST, ALONG THE NORTH LINE OF SAID TRACT "L", A
DISTANCE OF 160.05 FEET; THENCE SOUTH 01°40'19" WEST, A DISTANCE OF
235.03 FEET TO THE POINT OF BEGINNING (2); THENCE SOUTH 88°22'56"
EAST, A DISTANCE OF 101.98 FEET; THENCE SOUTH 87°41'36" EAST, A
DISTANCE OF 27.03 FEET; THENCE SOUTH 02°17'04" WEST, A DISTANCE OF
287.77 FEET; THENCE NORTH 88°23'05" WEST, A DISTANCE OF 110.25 FEET;
THENCE NORTH 01°40'16" EAST, A DISTANCE OF 60.44 FEET; THENCE
SOUTH 88°19'45" EAST, A DISTANCE OF 4.34 FEET; THENCE NORTH 01°39'49"
EAST, A DISTANCE OF 187.39 FEET; THENCE NORTH 88°20'11" WEST, A
DISTANCE OF 19.75 FEET; THENCE NORTH 01°19'10" EAST, A DISTANCE OF
40.24 FEET TO THE POINT OF BEGINNING (2).

SAID LANDS SITUATE IN THE CITY OF RIVIERA BEACH, PALM BEACH
COUNTY, FLORIDA, AND CONTAIN 6.525 ACRES, MORE OR LESS.

NOTES

1. REPRODUCTIONS OF THIS SKETCH ARE NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
2. NO SEARCH OF THE PUBLIC RECORDS IS REFLECTED ON THIS SKETCH. FOR THE SAKE OF CLARITY, NO EASEMENTS ARE SHOWN.
3. BEARINGS SHOWN HEREON ARE BASED ON THE STATE PLANE COORDINATE SYSTEM, TRANSVERSE MERCATOR FLORIDA EAST ZONE, BASED ON THE NORTH LINE OF SAID SECTION 31 HAVING A BEARING OF NORTH 88°19'41" WEST, ACCORDING TO DATA GATHERED FROM PALM BEACH COUNTY CONTROL POINTS GUM AND FRIDGE.

ABBREVIATIONS

L	ARC LENGTH
CONC.	CONCRETE
COR.	CORNER
D	DELTA (CENTRAL ANGLE)
D.E.	DRAINAGE EASEMENT
I.R.	IRON ROD
I.R.C.	IRON ROD AND CAP
L.B.	LICENSED BUSINESS
L.S.	LICENSED SURVEYOR
MON.	MONUMENT
O.R.B.	OFFICIAL RECORDS BOOK
P.O.B.	POINT OF BEGINNING
P.O.C.	POINT OF COMMENCEMENT
P.B.	PLAT BOOK
P.B.C.R.	PALM BEACH COUNTY RECORDS
PG.	PAGE
P.S.M.	PROFESSIONAL SURVEYOR 8 MAPPER
R/W	RIGHT-OF-WAY
U.E.	UTILITY EASEMENT

JOB NO.	12120	Project Name	HERON ESTATES	DWG BY:	JSH	SCALE:	1"=300'
		CHK'D BY:	JEK	DATE:	10/27/2016		SHEET 2 OF 4

SKETCH AND LEGAL DESCRIPTION (NOT A SURVEY)



588° 19' 41"E 474.72'

**SOUTH FLORIDA WATER MANAGEMENT
DISTRICT C-17 CANAL**

N02°10'30"E 611.98

TRACT "E"

TRACT 'X'

TRACT "A"

TRACT "K"

RIVIERA BEACH GARDENS
(P.B. 60, PGS. 99-100, P.B.C.R.)

CONGRESS PARK
(P.B. 52, PGS. 197-198, P.B.C.R.)

N02° 52'05"E
7.06'
N88° 30'02"W

14.24.5

14.24.5

R=5.00' TRACT
L=7.76' 7"
D=88° 51' 55"
N00° 21' 53" E
17.99'
N04° 12' 22" W
5.99'
N00° 19' 19" E
64.71'
N21° 57' 45" W
14.23'

N00° 21' 53" E
17.99'
N04° 12' 22" W
5.99'
N00° 19' 19" E
64.71'
N21° 57' 45" W
14.23'

N04° 12' 22" W
5.99'
N00° 19' 19" E
64.71'
N21° 57' 45" W
14.23'

N00° 19' 19"E
64.71'
N21° 57' 45"W
14.23'

N21° 57' 45" W
14.23'

TRACT 44

TRACT
4th

R=62.55'
L=19.48'
D=17° 50' 32"

285

285

285

285

WEST 17th COURT
(ABANDONED PER
ORB 18430, PG. 789)

TRACT 7

N88° 19' 41" W 855.32'

MATCH LINE

JOB NO.	12120	Project Name	HERON ESTATES	DWG BY:	JSH	SCALE:	1"=100'
				CHECKED BY:	JFK	DATE:	10/27/2016
							SHEET 3 OF 4

947 Clint Moore Road
Boca Raton, Florida 33407

PERIMETER

SURVEYING & MAPPING
Certificate of Authorization No. LB7264

Tel: (561) 241-9958
Fax: (561) 241-5182

SKETCH AND LEGAL DESCRIPTION (NOT A SURVEY)

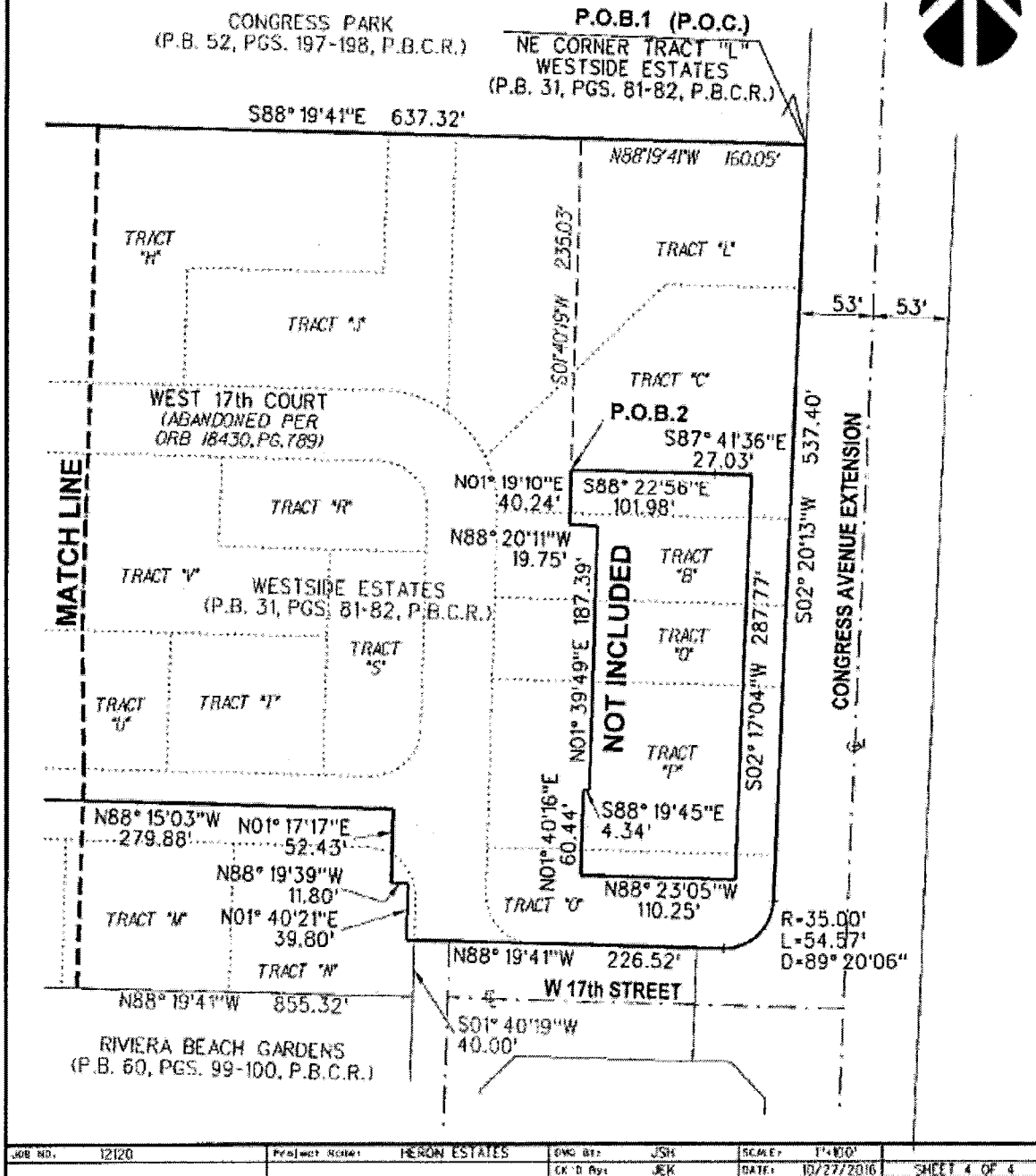


EXHIBIT H

FLORIDA HOUSING FINANCE CORPORATION
LOCAL GOVERNMENT VERIFICATION THAT DEVELOPMENT IS CONSISTENT WITH ZONING
AND LAND USE REGULATIONS

FHFC Application Reference: ~~2014-115~~ 2015-112

Indicate the name of the application process under which the proposed Development is applying/has applied for funding from the Corporation such as the Request for Proposal/Application number and/or the name of the Request for Proposal/Application.

Name of Development: Heron Estates Senior

W17th Ct, W 17th Ct. and N. Congress Ave, Riviera Beach

Development Location: _____

(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county).)

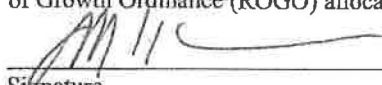
The undersigned service provider confirms that on or before the submission deadline for the above referenced FHFC Request for Proposal/Application:

- (1) The zoning designation for the above referenced Development location is RML-12; and
- (2) The proposed number of units and intended use are consistent with current land use regulations and the referenced zoning designation or, if the Development consists of rehabilitation, the intended use is allowed as a legally non-conforming use. To the best of my knowledge, there are no additional land use regulation hearings or approvals required to obtain the zoning classification or density described herein. Assuming compliance with the applicable land use regulations, there are no known conditions which would preclude construction or rehabilitation (as the case may be) of the referenced Development on the proposed site.

CERTIFICATION

I certify that the City/County of Riviera Beach has vested in me the authority to verify
(Name of City/County)

consistency with local land use regulations and the zoning designation specified above or, if the Development consists of rehabilitation, the intended use is allowed as a "legally non-conforming use" and I further certify that the foregoing information is true and correct. In addition, if the proposed Development site is in the Florida Keys Area as defined in Rule Chapter 67-48, F.A.C., I further certify that the Applicant has obtained the necessary Rate of Growth Ordinance (ROGO) allocations from the Local Government.


Signature

MARY MCKINNEY
Print or Type Name

DIRECTOR OF COMMUNITY
Print or Type Title DEVELOPMENT

This certification must be signed by the applicable City's or County's Director of Planning and Zoning, chief appointed official (staff) responsible for determination of issues related to comprehensive planning and zoning, City Manager, or County Manager/Administrator/Coordinator. Signatures from local elected officials are not acceptable, nor are other signatories. If the certification is applicable to this Development and it is inappropriately signed, the certification will not be accepted.

EXHIBIT I

FLORIDA HOUSING FINANCE CORPORATION
LOCAL GOVERNMENT VERIFICATION OF STATUS
OF SITE PLAN APPROVAL FOR MULTIFAMILY DEVELOPMENTS

FHFC Application Reference: ~~2014-115~~ 2015-112

Indicate the name of the application process under which the proposed Development is applying/has applied for funding from the Corporation such as the Request for Proposal/Application number and/or the name of the Request for Proposal/Application.

Name of Development: Heron Estates Senior

Development Location: W17 Ct., W17 Ct and N. Congress Ave. Riviera Beach

At a minimum, provide the address number, street name and city and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county).

Zoning Designation: RML-12

Mark the applicable statement:

1. ☐ The above-referenced Development is (a) new construction, or (b) rehabilitation with new construction, or (c) rehabilitation, without new construction, that requires additional site plan approval or similar process. The final site plan, in the zoning designation stated above, was approved on or before the submission deadline for the above referenced FHFC Request for Proposal/Application by action of the appropriate City/County legally authorized body; e.g. council, commission, board, department, division, etc., responsible for such approval process.
2. ☒ The above-referenced Development is (a) new construction, or (b) rehabilitation with new construction, or (c) rehabilitation, without new construction, that requires additional site plan approval or similar process, and (i) this jurisdiction provides either preliminary site plan approval or conceptual site plan approval which has been issued, or (ii) site plan approval is required for the new construction work and/or the rehabilitation work; however, this jurisdiction provides neither preliminary site plan approval nor conceptual site plan approval, nor is any other similar process provided prior to issuing final site plan approval. Although there is no preliminary or conceptual site plan approval process and the final site plan approval has not yet been issued, the site plan, in the zoning designation stated above, has been reviewed.
- The necessary approval and/or review was performed on or before the submission deadline for the above referenced FHFC Request for Proposal/Application by the appropriate City/County legally authorized body; e.g. council, commission, board, department, division, etc., responsible for such approval process.
3. ☐ The above-referenced Development, in the zoning designation stated above, is rehabilitation without any new construction and does not require additional site plan approval or similar process.

CERTIFICATION

I certify that the City/County of Riviera Beach has vested in me the authority to verify status of site plan

(Name of City or County)

Approval as specified above and I further certify that the information stated above is true and correct.

Signature

Print or Type Name

DIRECTOR OF COMMUNITY DEVELOPMENT
Print or Type Title

MARY MCKINNEY

This certification must be signed by the applicable City's or County's Director of Planning and Zoning, chief appointed official (staff) responsible for determination of issues related to site plan approval, City Manager, or County Manager/Administrator/Coordinator. Signatures from local elected officials are not acceptable, nor are other signatories. If this certification is applicable to this Development and it is inappropriately signed, the certification will not be accepted.

EXHIBIT J



ENVIRONMENTAL SERVICES, LLC

PHASE I ENVIRONMENTAL SITE ASSESSMENT UPDATE

OF

**HERON ESTATES
FORMER IVY GREEN VILLAGE
2003 WEST 17TH COURT
RIVIERA BEACH, PALM BEACH COUNTY, FLORIDA 33404
PARCEL CONTROL NUMBER: 56-43-42-31-01-000-0010**

Prepared For:

**HTG Heron Estates Senior, LLC
c/o Mr. Jason Larson
3225 Aviation Avenue, Suite 602,
Coconut Grove, Florida 33133**

Prepared by:

**EE&G Environmental Services, LLC
5751 Miami Lakes Drive
Miami Lakes, Florida 33014
(305) 374-8300**

**Report Issuance Date: January 6, 2017
Report Viability Date: June 14, 2017**

EE&G Project No. 2016-3496

EXECUTIVE SUMMARY

At the request of HTG Heron Estates Senior, LLC (the Client), EE&G Environmental Services, LLC (EE&G) has performed a Phase I Environmental Site Assessment (ESA) Update of the following property. This assessment has been conducted utilizing generally accepted Phase I ESA Update industry standards in accordance with the ASTM Standard Practice E1527-13. This report updates the previous March 2016 Phase I ESA Update.

Summary of Property Details	
Property Name:	Heron Estates (Former Ivy Green Village)
Property Address:	2003 West 17 th Court, Riviera Beach, Palm Beach County, Florida 33404
Parcel Control Number:	56-43-42-31-01-000-0010
Property Size:	The parcel measured approximately 15.37-acres.
Onsite Structures/Date of Construction:	The <i>Property</i> was developed with an oval roadway, a single-storied administrative building, a maintenance building, and an electrical FPL utility structure.
Historical Uses:	The <i>Property</i> was observed to be vacant land prior to the 1970s and a housing authority apartment community from the 1970s to the late 2000s to 2012.
Current Tenant:	The Riviera Beach Housing Authority administration office located at 2014 West 17 th Court.

CONCLUSIONS

EE&G has performed a Phase I Environmental Site Assessment Update in conformance with the scope and limitations of ASTM Practice Designation E1527-13 of the Heron Estates, located at 2003 West 17th Court, in Riviera Beach, Palm Beach County, Florida 33404. The *Property* was identified with the Palm Beach County Parcel Control Number: 56-43-42-31-01-000-0010. This assessment has revealed no evidence of Recognized Environmental Conditions (RECs) in connection with the *Property* since the March 2016 Phase I ESA Update. The previous RECs that were originally identified in the May 2008 Phase I ESA were concurrently addressed in the May 2008 Phase II ESA. Additionally, this assessment has revealed no evidence of Controlled Recognized Environmental Conditions (CRECs).

The following Historical REC was identified:

- Based on the regulatory review, the *Property* historically maintained a 100-gallon diesel fuel UST associated with an emergency generator located at the eastern portion of the former senior building at the western portion of the site. A diesel fuel discharge was reported in October 2003 during the UST removal. Approximately 60 tons of diesel impacted soils were excavated and removed from the *Property*. Soil and groundwater

assessment was conducted within the impacted area and in 2005, the site received NFA status from the County and SRCO status from the FDEP, with respect to the 2003 diesel discharge. In May 2008 EE&G conducted a Phase II ESA, during which confirmation soil and groundwater samples were collected from the former UST area, and results were below the Soil and Groundwater Cleanup Target Levels. Therefore, the former UST issue was considered to be a Historical REC. However, EE&G observed evidence of hydrocarbon odors in soils below the water table in this area. Therefore, in the event that these soils are excavated in the future, then they should be characterized to determine proper disposal options.

The following Business Environmental Risk (BER) was identified:

- No evidence of other USTs was observed during the site reconnaissance. However, it would not be uncommon for other former apartment buildings at the *Property* to have maintained fuel USTs. Therefore, as a BER, in the event that an unknown UST is encountered during redevelopment, then it should be removed in accordance with State and County guidelines, under the supervision of a Florida-licensed Professional Geologist or Professional Engineer.

As documented in Section 4.5.1 of ASTM E1527-13, “no environmental site assessment can wholly eliminate uncertainty regarding the potential for RECs in connection with a property. Performance of this practice is intended to reduce, but not eliminate, uncertainty regarding the potential for RECs in connection with a property, and this practice recognizes reasonable limits of time and cost.” Therefore, environmental conditions may exist on the *Property* that could not be identified through the scope of this investigation.

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SECTION 1.0 INTRODUCTION

1.1 PROPERTY IDENTIFICATION

EE&G Environmental Services, LLC (EE&G) was retained by HTG Heron Estates Senior, LLC (hereafter referred to as the Client) to perform a Phase I Environmental Site Assessment (ESA) Update of the Heron Estates, located at 2003 West 17th Court, in Riviera Beach, Palm Beach County, Florida 33404. The *Property* was identified with the Palm Beach County Parcel Control Number: 56-43-42-31-01-000-0010. **Appendix A** includes a Site Layout Map (**Figure A1**) and Site Location/Topographic Map (**Figure A2**). **Appendix B** includes photographs taken during the site reconnaissance. This report updates the previous March 2016 Phase I ESA Update.

1.2 USER RELIANCE

This report was prepared solely for the use of HTG Heron Estates Senior, LLC (the Client) and the CREA Grand Lake, LLC. Reliance on this Phase I ESA update is subject to the purpose, scope of work, qualifications, conditions and limitations provided within this report (Sections 1.3, 1.4 and 1.5), and the terms and conditions of the Professional Services Agreement (PSA) executed between the Client and EE&G. Third parties provided reliance by EE&G through an executed reliance letter may rely on this report subject to the same conditions of the report and PSA. All unauthorized third parties rely at their own risk, and shall indemnify and hold EE&G harmless against any liability for any loss arising out of or related to reliance by any unauthorized third party on any work performed there under, or the contents of this report.

1.3 PURPOSE

This Phase I ESA Update was completed in accordance with the standards and conditions set forth in American Society of Testing and Materials (ASTM) Designation E1527-13 (ASTM E1527-13). An objective of this Phase I ESA Update was to identify Recognized Environmental Conditions (RECs) associated with the *Property*. RECs are defined in Section 3.2.78 of ASTM E1527-13 as “the presence or likely presence of any hazardous substances or petroleum products in, on, or at the *Property*: 1) due to release to the environment; 2) under conditions indicative of a release to the environment; or 3) under conditions that pose a material threat of a future release to the environment.” The term includes hazardous substances or petroleum products even under conditions in compliance with law. However, the term is not intended to include *de minimis* conditions that generally do not present a threat to human health or the environment, and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Furthermore, this Phase I ESA Update constitutes “all appropriate inquiry” into previous ownership and uses of the *Property* consistent with good commercial and customary practice as defined by 42 U.S.C. §9601(35)(B), and is intended to assist the User in satisfying one of the requirements to qualify for the *innocent landowner* defense, *contiguous property owner liability protection*, and/or the *bona fide prospective purchaser liability* protection (hereinafter, collectively called the “Landowner Liability Protections,” or “LLPs” set forth in 42 U.S.C. §9601 and §9607) of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA). The reader is reminded that such defenses may not be available under applicable state law. Users are cautioned that federal, state and local laws may impose environmental assessment obligations that are beyond the scope of this practice.

1.4 SPECIAL TERMS & CONDITIONS, LIMITATIONS AND DEVIATIONS

This Phase I ESA Update was performed by and under the direction of an Environmental Professional, as defined in ASTM E1527-13, using sound professional practices and the standard due care exercised within the profession. The presence or absence of contaminants on the surface or in the subsurface of the *Property* cannot be determined without proper testing. Accordingly, the findings of this investigation merely assessed the potential for property owner liabilities arising from past and present usage of the *Property*, and should not be construed as conclusive evidence that the *Property* has or has not been negatively impacted. The opinions and recommendations presented herein apply only to conditions existing at the time of this assessment. Any changes in site conditions, environmental standards, practices, or regulations subsequent hereto are not covered. Furthermore, although every reasonable effort has been made to use information sources that are authoritative, EE&G does not warrant their accuracy or completeness, or the use of segregated portions of this report.

This Phase I ESA Update was prepared in accordance with ASTM Designation E1527-13, and no significant deviations from the practice were required to complete this report, unless specifically stated otherwise within the report. The Client required no special terms and conditions to complete this report. Information regarding the *Property* was reasonably ascertainable and therefore, no significant assumptions have been made, unless otherwise noted in a specific section of this report.

1.5 DETAILED SCOPE OF WORK

In accordance with the ASTM Designation E1527-13 guidelines, this Phase I ESA Update included the following scope of services.

- Interview the Client or Client's designated representative as well as the property management personnel to assess knowledge of site-specific conditions or uncover available information, which may help to identify RECs.
- Attempt to conduct interviews with a key site manager, owners, operators, occupants, local government officials and/or persons knowledgeable of environmental site conditions to obtain information that may indicate the potential for RECs associated with the *Property*.
- Conduct a site reconnaissance to obtain information indicating the likelihood of identifying recognized environmental conditions in connection with the *Property*. EE&G assessed the uses and conditions of the *Property*, to the extent visually and/or physically observed during the site inspection of accessible areas, including:
 - Current uses on the *Property* likely to involve the use, treatment, storage, disposal or generation of hazardous or petroleum substances.
 - Interior and exterior inspection of the *Property* to assess for sewage, storm water and wastewater disposal system(s), potable water supply, and evidence of storage tanks, drums, PCB-containing equipment, pools of liquid, odors, pits/ponds/lagoons, stained soil or pavement, stressed vegetation, drains, heating/cooling system and wells. A general description of the current on-site structures was noted.

- Current uses of adjoining properties and surrounding area as limited to extent visually and/or physically observed during a drive-through of the area.
- EE&G conducted a limited vapor encroachment screening evaluation to assess for the potential of concerns for vapors containing petroleum products and/or hazardous substances. Please note that no testing was conducted.
- EE&G obtained and reviewed reasonably ascertainable records of standard sources (as defined in ASTM Designation E1527-13), which were publicly available, practically reviewable, and obtainable within reasonable time and cost constraints.
 - Applicable regulatory files held by the local, State and Federal agencies, which pertain to the use and handling of hazardous waste, hazardous substances and petroleum products for the *Property*, adjoining properties, and surrounding properties (within the designated search distance, per ASTM Designation E1527-13).
 - Physical setting sources, including a current United States Geological Survey (USGS) 7.5 Minute Topographic Map, and current technical documentation on the regional surficial soil type and distribution, and regional geological and hydrogeological environmental settings.
 - Standard historical sources, used to develop an understanding of the previous uses or occupants of the *Property* and adjoining properties, which may indicate potential RECs.
- EE&G prepared this final report, which summarizes the methodology and findings of the Phase I ESA Update. The report included a summary of the Client/User Provided Information, Site Reconnaissance, Interview(s), a summary of previous environmental reports (if applicable), and Record Review Findings. As required by ASTM Designation E1527-13, the final report included a Findings/Opinion Section and Conclusions Section, which clearly stated if RECs were identified in connection with the *Property*. Documentation of pertinent resources, references and key exhibits are included to support the report findings, when appropriate.

1.6 VIABILITY OF PHASE I ESA UPDATE

Pursuant to Section 4.6 of ASTM E1527-13, Phase I ESA Updates are considered viable for 180-days. In calculating the Report Viability Date, EE&G used the date that was the earliest of the following four tasks: the interview of past/present owners/occupants, the recorded environmental cleanup lien search, the government record review, or the visual inspection of the subject property and adjoining properties. The following table was prepared to identify Critical Dates and the Report Viability Date.

Table of Critical Dates	
Date of Government Record Review	12/16/2016
Date of Environmental Lien Search – via FDEP Website	12/21/2016
Date of Interviews	12/21/2016
Date of Visual Inspection of Subject and Adjoining Properties	12/22/2016
Earliest Date of Record Review, Lien Search, Interviews and Inspection	12/16/2016
Report Viability Date (180 Days from Earliest Date of Research)	06/14/2017

SECTION 2.0 USER-PROVIDED INFORMATION

The Client requested this Phase I ESA Update to fulfill due diligence requirements associated with the transaction involving the *Property* and to qualify for the LLP under CERCLA as required by ASTM Designation E1527-13. The Client was provided a User Questionnaire regarding the *Property* in accordance with ASTM Designation E1527-13. Refer to **Appendix C** for a copy of the Client-provided Phase I ESA Update User Form questionnaire.

- The Client intends to lease the *Property*. The Client was aware previous environmental assessments were conducted at the *Property*.
- The Client was not aware of any environmental cleanup liens against the *Property* that are filed or recorded under federal, tribal, state or local law.
- The Client was not aware of any *Activity and Use Limitations* (AULs), such as *Engineering Controls*, land use restrictions, or *Institutional Controls* that are in-place at the site, and/or have been filed or recorded in a registry under federal, tribal, state or local law.
- The Client had no specialized knowledge or experience related to the use of the *Property*, or about environmental concerns with the *Property*. The Client specified the former use of the *Property* was for multifamily housing. The Client further specified no chemicals were used. The Client was not aware of any other commonly known or reasonably ascertainable information about the *Property* that would help the Environmental Professional to identify conditions indicative of releases or threatened releases.
- The Client had no knowledge that the purchase price of the *Property* has been reduced below comparable properties due to environmental concerns.
- The Client was not aware of any obvious indicators that point to the presence or likely presence of contamination at the *Property*.

Pursuant to Section 6.2 of ASTM E1527-13, the User has the obligation to research and provide to EE&G a copy of land title records that might indicate the presence of recorded environmental liens or AULs on the *Property*. A search of land title records was not included as part of the scope of activities for this Phase I ESA Update. No title records were provided by the Client. Therefore, the Client is advised to review such title records to assess for the presence of environmental liens or AULs currently recorded against or relating to the *Property* in order to maintain the LLP eligibility.

SECTION 3.0 PRIOR ENVIRONMENTAL ASSESSMENT REPORT SUMMARY

The Client was aware of a previous Phase I and Phase II ESA prepared by EE&G in May 2008 and Phase I ESA Updates prepared by EE&G in November 2012, October 2013 and March 2016. Excerpts of these reports were included in **Appendix D**. The following is a summary of EE&G's peer review of the previous reports.

Phase I & II ESA

Prepared for: Emerald Palm Redevelopment, LLC

Prepared by: EE&G

Report dated: October 11, 2008

- The Phase I ESA was reportedly completed in accordance with ASTM E 1527-05.
- EE&G observed the *Property* as developed with one 50-unit apartment building, a vacant electrical FPL room, an administrative building, and a maintenance warehouse. Three abandoned groundwater monitoring wells were observed adjoining the emergency generator room, which were reportedly installed at the former location of a 150-gallon diesel fuel underground storage tank (UST).
- EE&G encountered *data gaps* in historical research; however, other “reasonably ascertainable historical resources provided sufficient information to meet the objective of developing the history of previous uses for the *Property* and surrounding areas.”
- The May 2008 Phase I ESA identified the following RECs:
 - The historical presence of excessive dumping on the *Property* as evidenced in the 1965 through 1973 aerial photographs.
 - The historical presence of a diesel fuel UST at the *Property* and the documented presence of constituents of concern (COCs) in the soil and groundwater within the vicinity of the former UST that may still be present at the *Property*.
- EE&G subsequently performed a Phase II ESA to assess for the presence of COCs, which could be related to the identified RECs. Soil and groundwater samples were collected via direct-push technology (DPT), including; one soil sample collected above the water table, five surficial soil samples collected at the 0 to 2-feet interval and one shallow groundwater sample. The groundwater table was located at approximately 7-feet below land surface (BLS) and the soil samples were field screened using an organic vapor analyzer (OVA) equipped with a flame ionization detector (FID). The following are the conclusions and recommendations resulting from the Phase II ESA:
 - Analyses of the soil (collected above the water table) and groundwater sample (collected from the former location of the diesel fuel discharge) did not reveal concentrations of the tested parameters that exceeded the regulatory cleanup target levels. However, low concentrations, below the cleanup target levels, of volatile organic aromatics (VOAs), polynuclear aromatic hydrocarbons (PAHs) and/or total petroleum hydrocarbons (TPHs) were detected in the groundwater sample collected, which may be an indication of historical impacts. Additionally, dark staining,

petroleum odor, and high net OVA/FID readings were detected from the soil sampling intervals below the water table, indicating the potential presence of diesel fuel-range constituents in non-regulated soils.

- Considering that the Florida Department of Environmental Protection (FDEP) has already closed out this issue, and considering that the soil and groundwater samples did not contain concentrations of petroleum hydrocarbon constituents above the applicable Soil Cleanup Target Levels (SCTLs) and Groundwater Cleanup Target Levels (GCTLs) criteria, no new notification to the FDEP appeared necessary.
- However, considering that EE&G observed hydrocarbon odors and elevated OVA readings in soils collected below the groundwater table interface, it appears that a remnant of the historic petroleum discharge may persist in deeper soils. As previously stated the groundwater sample did not contain elevated concentrations of petroleum hydrocarbon constituents. However, it is possible that if disturbed during future redevelopment activities, excavated soils would require proper characterization and disposal (incinerator or landfilling), and that dewatering activities may encounter residual petroleum-affected groundwater.
- The surficial soil sample (0 to 2 feet BLS) collected from soil boring SB-6 (located on the northwestern portion of the *Property*) contained a total arsenic concentration of 2.37 milligrams per kilogram (mg/Kg), which slightly exceeded the 2.1 mg/Kg *residential-use direct exposure* SCTL but was below the 12 mg/Kg *commercial-use direct exposure* SCTL. Considering the other soil samples did not contain elevated arsenic, this concentration was considered to be an anomaly and likely indicative of natural background levels. As such no further assessment of this issue appeared warranted.

Phase I ESA Update

Prepared for: Norstar Development USA, LP

Prepared by: EE&G

Report dated: November 28, 2012

- The Phase I ESA was reportedly completed in accordance with ASTM E 1527-05.
- EE&G observed the *Property* as vacant land, with the exception of two vacant/boarded up structures (former office and maintenance shed) and a small abandoned shed (prior electrical room).
- EE&G encountered *data gaps* and *data failure* in historical research; however, other “reasonably ascertainable historical resources provided sufficient information to meet the objective of developing the history of previous uses for the *Property* and surrounding areas.”
- The November 2012 Phase I ESA did not revealed new RECs in connection with the *Property* since the May 2008 Phase I and Phase II ESA.

Phase I ESA Update

Prepared for: Heron Estates, Inc. c/o John Hurt, Riviera Beach Housing Authority

Prepared by: EE&G

Report dated: October 10, 2013

- The Phase I ESA was reportedly completed in accordance with ASTM E 1527-05.
- EE&G observed the *Property* as vacant land, with the exception of an administrative building, a maintenance building and a locked FPL utility room. The maintenance building was reported to be cleaned of all former maintenance materials and was now used as a file storage building for the Riviera Beach Housing Authority.
- EE&G encountered *data gaps* and *data failure* in historical research; however, other “reasonably ascertainable historical resources provided sufficient information to meet the objective of developing the history of previous uses for the *Property* and surrounding areas.”
- The October 2013 Phase I ESA did not revealed new RECs in connection with the *Property* since the November 2012 Phase I ESA Update.

Phase I ESA Update

Prepared for: HTG Heron Estates Senior, LLC c/o Mr. Jason Larson

Prepared by: EE&G

Report dated: March 4, 2016

- The Phase I ESA was reportedly completed in accordance with ASTM E 1527-13.
- EE&G observed the *Property* as vacant land, with the exception of an administrative building, a maintenance building and a locked FPL utility room. The maintenance and administrative building was observed to be used by the Riviera Beach Housing Authority, and the maintenance building was only used for storage.
- EE&G encountered *data gaps* and *data failure* in historical research; however, other “reasonably ascertainable historical resources provided sufficient information to meet the objective of developing the history of previous uses for the *Property* and surrounding areas.”
- The March 2016 Phase I ESA Update did not revealed new RECs in connection with the *Property* since the October 2013 Phase I ESA Update.

SECTION 4.0 PROPERTY SETTING & SITE RECONNAISSANCE

4.1 AREA SETTING

The *Property* was located approximately 1,000 feet south-southwest of the Blue Heron Boulevard in a commercial/residential district of the City of Riviera Beach. The surrounding area was characterized by residences, canals and manmade lakes, and multi-bay commercial/office buildings. The nearest surface water bodies were the western adjoining C-17 canal, northern adjoining narrow canal and the northeastern and southeastern adjoining manmade lakes, beyond North Congress Avenue. The *Property* was zoned as Low Density Multiple Family Dwelling District (RML-12) according to the Riviera Beach, Florida Zoning Map. Refer to **Figure A5, Appendix A**, for the portion of the zoning map depicting the location of the *Property*.

According to the Riviera Beach, FL United States Geological Survey (USGS) 7.5 Minute Topographic Map, the *Property* was located in an area characterized by a flat topography and was approximately 14-feet above mean sea level. Refer to **Figure A2, Appendix A**, for the portion of the USGS topographic map depicting the location of the *Property*.

4.2 HYDROGEOLOGIC SETTING

The regional hydrogeology was assessed by reviewing the USGS Water Resources Investigations and Scientific Investigations Reports for Palm Beach County, Florida, as cited in Section 12.3 of this report.

The surficial aquifer system is the major source of fresh-water for public water supply in Palm Beach County, Florida. The surficial aquifer system underlies Palm Beach, Martin, and St. Lucie Counties, and primarily consists of sand, clay, silt, shell, and limestone of Holocene, Pleistocene, and Pliocene age. Its thickness is variable from over 300-feet in eastern Palm Beach County, and decreasing westward and northward. In the vicinity of the *Property*, the surficial aquifer system extends from surface grade to approximately 180-feet BLS.

Early studies identified a discontinuous zone of high secondary permeability in the surficial aquifer, from which most well production is obtained. The zone was formed by varying dissolution of aquifer limestone materials during Pleistocene changes in sea level. The secondary permeability zone in the vicinity of the *Property* is from approximately 40-feet to 180-feet BLS. More recent studies have further divided the surficial aquifer system into three main permeable zones or subaquifers, which are designated, from shallowest to deepest, Zones 1, 2, and 3. The higher permeability zones are segregated by semi-confining units. Zone 1 attains its greatest thickness (50-feet or more) and highest transmissivity in coastal areas. Zone 2 (previously referred to as the secondary permeability zone) is the most transmissive and extensive zone, with thicknesses ranging from 50 to 100-feet. Zone 3 attains its greatest thickness (100-feet or more) in the southwestern and south-central areas of the county.

The surficial aquifer system is divided from the underlying Floridan aquifer by a thick confining unit. The virtually untapped Floridan aquifer system is considered to be a supplemental source of water for public use in the highly populated coastal area of Palm Beach County. The Floridan aquifer system consists of the Upper Floridan aquifer, middle confining unit, and Lower Floridan aquifer and ranges in age from Paleocene to Oligocene.

According to a soil map published by the United States Department of Agriculture (USDA), Soil Conservation Service, the soil in the area has been classified as Anclothe fine sand, Okeelanta Muck, Pomello fine sand, Basinger Fine Sand and Basinger and Myakka Sands Depressional. The soil types are composed of muck, fine sand and/or sand. Anclothe fine sand and Basinger and Myakka Sands Depressional are very poorly drained soil with a low water capacity. Basinger Fine Sand is a poorly drained soil with low water capacity. Okeelanta Muck is a very poorly drained soil with high water storage capacity. Pomello fine sand is a moderately well drained soil with a low water storage capacity. Refer to **Figure A3, Appendix A**, for the portion of the Palm Beach County soil survey map depicting the location of the *Property*.

The depth to groundwater was documented to be 7-feet below land surface (BLS) in the May 2008 Phase II ESA sampling event, and groundwater is estimated to flow to the south-southwest in the August 2004 Source Removal and Site Assessment Report (SAR). The *Property* was located outside of the Riviera Beach Wellfield protection area by approximately 0.5-miles, as noted in the Palm Beach North Wellfield protection map. Refer to **Figure A4, Appendix A**, for the portion of the Palm Beach County wellfield protection map depicting the location of the *Property*.

4.3 SITE RECONNAISSANCE

On December 22, 2016, a site reconnaissance was conducted at the *Property* by EE&G Associate Staff Professional representatives, Ms. Alessia Juan and Mr. Thuysi Ho. The objective of the site reconnaissance was to obtain information indicating the likelihood of identifying RECs in connection with the *Property*. EE&G was allowed access by Mr. Delvin Thomas, the chairman of the Riviera Beach Housing Authority. Limitations were encountered during the site reconnaissance, including; no access to the electrical room within the administrative building, no interior access to the former FPL electrical structure and overgrown vegetation limiting visual inspection. Refer to **Figure A1, Appendix A**, for a site map of the *Property* and adjoining properties. Refer to **Appendix B** for photographs taken of the *Property* and adjoining properties during the site visit. The following is a summary of the site reconnaissance observations.

Current Use of the *Property*

The *Property* was observed to be developed with an administrative building and a maintenance building located at the north-central portions of the *Property*. Additionally, a locked FPL utility room was observed at the western portion of the site. EE&G observed several storm water catch basins, sewer manholes, a stormwater manhole and pad mounted transformers located across the *Property*.

The administrative building and maintenance building was used by the Riviera Beach Housing Authority, and the maintenance building was only used for storage. The FPL room was observed to contain several transformers and other pieces of electrical equipment stored atop a solid concrete floor. The roof of the concrete cinderblock structure was observed to be severely damaged allowing for rain water to enter freely. No corrosion or staining was observed around the base or the open ground surrounding the structure.

Adjoining Properties

During the site reconnaissance, EE&G observed the following with respect to the adjoining properties:

- Northern Adjoining – A narrow canal adjoined the *Property* to the north, beyond which was a large commercial multi-tenanted warehouse building addressed at 2001 North Congress Avenue. The building was observed to be occupied by Service Partners, a Florida Insulation Distributor and Signature Collision Center, automotive body repair technicians.
- Northeastern Adjoining – North Congress Avenue, beyond which was observed to be developed with the United States Postal Service facility addressed at 1905 West Blue Heron Boulevard.
- Northwestern Adjoining – The C-17 canal, beyond which was Garden Road and the Riviera Beach Preparatory and Achievement Academy addressed at 7071 Garden Road.
- Southern Adjoining – Developed with the Spinnaker Landing Apartments addressed at 1931 West 16th Court.
- Eastern Adjoining – North Congress Avenue, beyond which was observed to be developed with the Congress Lakes residential community addressed at 1691 to 1761 Essex Lane. Two unnamed manmade lakes were located northeast and southeast adjoining to the *Property*.
- Western Adjoining – The C-17 canal, beyond which was Garden Road, commercial facilities addressed at 6861, 6911 & 6985 Garden Road and the Port Consolidation Fleet Fueling facility addressed at 6951 Garden Road (approximately 400-feet west of the *Property*). The commercial facilities were occupied by Beach Environmental and Engineering Environmental, Inc.

Potable Water Supply

EE&G contacted the Riviera Beach Utility Billing Service Center, which confirmed that the *Property* was connected to municipal water services since at least 1999. No evidence of potable wells was observed onsite.

Sewage Disposal System

EE&G contacted the Riviera Beach Utility Billing Service Center, which confirmed that the *Property* was connected to municipal sanitary sewer services since at least 1999. No evidence of septic tanks was observed onsite. EE&G opened a sewer manhole at the *Property*. No petroleum sheen or accumulation of debris was observed.

Hazardous Substances and Petroleum Products

EE&G observed retail size (pint to 5-gallon) containers of hazardous substances and/or petroleum products including; mineral spirits, paints, calk, bleach, rodenticide, insecticides, a tire

and residential cleaning products stored within the administrative building and maintenance building. No significant spills or leaking containers were observed in the areas of the storage materials or equipment.

Storage Tanks

EE&G did not observe evidence of USTs or aboveground storage tanks (ASTs) at the *Property* (i.e. fill ports, dispensers or vent pipes).

Odors

EE&G did not observe strong, pungent or noxious odors during the site reconnaissance.

Pools of Liquid

EE&G did not observe pools of hazardous and/or petroleum-based liquid during the site reconnaissance.

Drums & Containers

EE&G did not observe industrial-sized containers (i.e. 25- or 55-gallon drums) at the *Property*.

Polychlorinated Biphenyls (PCBs)

Pursuant to Section 9.4.2.10 of ASTM E1527-13, electrical or hydraulic equipment likely to contain polychlorinated biphenyls (PCBs) shall be described to the extent visually observed or identified during interview or record reviews. PCBs in electrical equipment are controlled by United States Environmental Protection Agency regulations 40 CFR, Part 761, under which there are three categories into which electrical equipment can be classified: 1) Less than 50 parts per million (ppm) of PCBs – “Non-PCB”, 2) 50 ppm to 500 ppm – “PCB-Contaminated”, and 3) Greater than 500 ppm – “PCB-Containing”. The manufacture, process, or distribution in commerce or use of any PCB in any manner other than in a totally enclosed manner was prohibited after January 1, 1977. Per ASTM, fluorescent light ballasts that likely contain PCBs need not be noted.

- EE&G observed several pad-mounted electrical transformers across the *Property*. Additionally, the FPL structure at the western portion of the site was observed to contain electrical transformers and other pieces of electrical equipment. All observed transformers and equipment appeared to be in good condition with no evidence of leaks or spills observed.

Heating/Cooling Systems

The administrative building and maintenance building were observed to maintain a heating, ventilation and air conditioning (HVAC) system, including pad-mounted and wall-mounted air conditioning units. Water heaters were not observed at the *Property*.

Stains or Corrosion

No evidence of significant stains or corrosion was noted during the site reconnaissance.

Drains and Sumps

Floor drains were observed within the bathrooms and at the western patio area to the administrative building. No further drains or sumps were observed at the *Property*.

Pits, Ponds or Lagoons

No evidence of pits, ponds or lagoons was observed at the *Property*.

Stained Soil or Pavement

No evidence of stained soils or pavement was observed at the *Property*.

Stressed Vegetation

No evidence of stressed vegetation was observed at the *Property*.

Solid Waste

No evidence of areas that were filled or graded by non-natural causes or an unknown origin, which would suggest trash, construction debris, demolition debris or other solid waste disposal, was observed at the *Property*.

EE&G observed *de minimis* municipal garbage debris along the borders of the *Property*. Piles of sand and asphalt were observed on the eastern portion of the *Property*. Municipal garbage bins were observed adjoining the administrative building.

Waste Water

Storm water was managed through direct infiltration on open ground, into onsite catch basins and/or sheet flow onto adjoining properties or right-of-ways. No evidence of waste water discharges related to hazardous substances and/or petroleum products was observed at the *Property*.

Wells

EE&G did not observe evidence of monitoring wells or potable wells at the *Property*. However, one water pump was observed on the northwestern portion of the *Property*, which may be an indication of an irrigation well.

SECTION 5.0 INTERVIEWS

5.1 INTERVIEW WITH *PROPERTY* KEY SITE CONTACT

On December 22, 2016, EE&G interviewed Mr. Delvin Thomas, the chairman of the Riviera Beach Housing Authority, regarding the onsite operations and history of the *Property*, during which the following information was ascertained:

- Mr. Thomas had been affiliated with the *Property* for at least ten years. He indicated the past use of the facility was for residential multi-family housing and a senior building.
- Mr. Thomas was unaware of any environmental concerns or outstanding notices of violation or enforcement cases associated with the *Property*.
- Mr. Thomas was not aware of any ASTs/USTs, septic tanks or generators at the *Property*.
- Mr. Thomas was unaware of any activity use limitations or institutional and engineering controls, any deed restrictions, environmental liens or covenants associated with the *Property*.
- Mr. Thomas confirmed the *Property* was connected to water and sewer services with the City of Riviera Beach. Furthermore, Mr. Thomas' father, Mr. David Thomas, former director of the Riviera Beach Housing Authority between 1992 and 1994, confirmed the property to have been connected to water and sewer services since its development in the 1970s. Mr. David Thomas further indicated that no septic tank had existed at the *Property*. Mr. David Thomas indicated one water meter existed to service the senior building, while three additional water meters serviced the residential buildings.
- Mr. Thomas indicated the mounds of debris observed at the eastern portion of the *Property* were the remainder construction debris from previous years.
- Mr. Thomas indicated the water pump at the northwestern portion of the *Property* had been associated with a senior building that formerly occupied the northwestern portion of the *Property*.
- Mr. Thomas indicated when he became associated with the *Property* there were no structures other than the ones existing at the time of this report. Mr. Thomas further indicated that to his knowledge there were no USTs at the time of demolition of the previously existing buildings.
- Mr. Thomas indicated the previously existing buildings contained approximately 206 living units and were 3-storied. Mr. Thomas also noted the buildings contained hydraulic elevators. Mr. Thomas indicated the use of the *Property* had been residential since its first development.
- Mr. Thomas indicated the small structure at the western portion of the *Property* to have pertained to a former pump station which pumped water from the canal for irrigation at the *Property*.

5.2 INTERVIEW WITH GOVERNMENT OFFICIALS

EE&G contacted Ms. Maria Serrano of the public records request under the FDEP regarding the availability of environmental regulatory files involving the *Property*. Ms. Serrano indicated that there were no hard copy regulatory files regarding the *Property* available for review; however, online files were available on the FDEP Oculus online database, as discussed in **Section 7.1** of this report.

EE&G contacted Mr. Patrick Wille, the storage tank compliance program supervisor with the Palm Beach County Department of Environmental Resources Management (ERM), regarding the availability of environmental regulatory files involving the *Property* and adjoining properties of potential concern. Mr. Wille indicated that there were no hard copy regulatory files regarding the *Property* available for review; however, online files were available on the FDEP Oculus online database, as discussed in **Section 7.1** of this report.

On December 21, 2016, EE&G contacted Mr. Alan Davis with the City of Riviera Beach Public Works Stormwater department to inquire if the *Property* was connected to the municipal water and sewer systems. Mr. Davis stated that the *Property* addressed at 2003 West 17th Court was connected to water and sewer services; and confirmed the earliest record of this connection to be in 1999. Mr. Davis was not able to ascertain the use or ownership of the water pump located at the northwestern portion of the *Property*. Furthermore, Mr. Davis was not able to ascertain information regarding water and sewer services connection prior to 1999, or if a septic tank existed prior to this time.

On December 21, 2016, EE&G contacted Ms. Cheryl with the City of Riviera Beach Code Enforcement Department regarding the availability or existence of information regarding environmental concerns or violations pertaining to the *Property*. Ms. Cheryl indicated that there were no hard copy environmental files regarding the *Property* available for review.

On December 21, 2016, EE&G contacted Ms. Chelsea with the City of Riviera Beach Building Department regarding the availability of information regarding environmental concerns or violations and also regarding the existence of a septic tank at the *Property*. Ms. Chelsea indicated there were no records of environmental concerns, violations or septic tank for the *Property*.

On December 21, 2016, EE&G contacted the City of Riviera Fire Department and the Health Department. No environmental information was ascertained from this interview. City officials indicated no records were available for review.

SECTION 6.0 HISTORICAL REVIEW

6.1 CITY DIRECTORIES, SANBORN MAPS & AERIAL PHOTOGRAPHS

The historical uses of the *Property* and adjoining properties were reviewed in approximately five-year intervals (as reasonably ascertainable), which included the following; aerial photographs 1953, 1964, 1965, 1969, 1975, 1976, 1986, 1987, 1991, 1993, 1995, 1999, 2002, 2006, 2007, 2009, 2012 and 2014) and city directories (1948 through 2015). Copies of selected aerial photographs were provided in **Appendix E**. A copy of the Sanborn Fire Insurance No Coverage Letter was provided in **Appendix F**. Copies of reviewed city directories were provided in **Appendix G**.

The earliest available historical record for the *Property* was the 1953 aerial photograph, which depicted the *Property* to be vacant land. Therefore, *data failure* was encountered as reasonably ascertainable records were not available before 1940. However, the first development appeared to be an apartment complex in the mid-1970s. *Data gaps* were encountered when researching the history of the *Property*, including aerial photographs and city directories. However, based on either the apparent lack of significant change between these records, or cross-references with corresponding resources, the reasonably ascertainable historical resources provided sufficient information to meet the objective of developing the history of previous uses for the *Property* and surrounding areas. Therefore, it did not appear that the *data failure* and *data gaps* compromised the ability of the Environmental Professional to identify RECs.

6.2 SUMMARY OF PAST USE OF THE PROPERTY

According to historical records, the *Property* was depicted to be vacant marsh land in the 1953 aerial photograph. In the 1964 to 1975 aerial photographs, the *Property* was depicted with several dirt roads and periodic evidence of extensive dumping. In the 1976 to 2006 aerial photographs, the *Property* was developed with the Ivy Green Village Apartments and the Riviera Beach Housing Authority Apartments. Most of the residential structures were observed to be demolished in the 2007 and 2009 aerial photographs. Only one apartment building, the administrative building, the maintenance shed, and an FPL structure were observed at the site in the 2009 aerial photograph. The apartment building was observed to be razed in the 2012 aerial photograph and no significant changes were observed in the 2014 aerial photograph, when compared to the 2012 aerial photograph. Reviewed city directories noted the *Property* was developed with apartments in 1979 to 2015. In addition, the *Property* also was potentially listed as the J&L Feed & Supply at 1982 West 17th Court in 1980 to 1989 and Body Nurse Good at 2001 West 17th Court in 2001.

Environmental Data Resources, Inc. (EDR) was retained to provide a Chain of Title (COT) for the *Property*. The public records of Palm Beach County, Florida were searched from January 1, 1940 to December 23 2016. A copy of the COT report was provided in **Appendix I**. A summary of the deeds found is as follows:

- Type of Deed : Deed
Title is vested in: Palm Beach County Housing Authority
Title received from: Palm Beach Farms Company
Year Executed/Recorded: 1959

Comments: Searched back to 1940 and found no other deeds of conveyance. Palm Beach farms Co. acquired thousands of acres of undeveloped land starting in the 1920s.

- Type of Deed : Deed
Title is vested in: Housing & Urban Development
Title received from: Palm Beach County Housing Authority
Year Executed/Recorded: 1966
- Type of Deed : Deed
Title is vested in: Riviera Beach Housing Corporation
Title received from: Palm Beach County Housing Authority
Year Executed/Recorded: 1967
- Type of Deed : Agreement to Lease
Title is vested in: The Riviera Beach Housing Corporation, Inc.
Title received from: Riviera Beach Housing Authority of the City of Riviera Beach, Florida
Year Executed/Recorded: 1974
- Type of Deed : Quit Claim Deed
Title is vested in: Riviera Beach Housing Corporation
Title received from: Gaeta Cromwell, Inc.
Year Executed/Recorded: 1999
- Type of Deed : Quit Claim Deed
Title is vested in: Riviera Beach Housing Authority
Title received from: Timothy Funk, a single man
Year Executed/Recorded: 2005
- Type of Deed : Quit Claim Deed
Title is vested in: Riviera Beach Housing Authority
Title received from: John P. Little, III
Year Executed/Recorded: 2005
- Type of Deed : Quit Claim Deed
Title is vested in: Riviera Beach Housing Authority
Title received from: Voight Investment Company
Year Executed/Recorded: 2005
- Type of Deed : Special Warranty Deed
Title is vested in: Riviera Beach Housing Authority
Title received from: Riviera Beach Housing Corporation
Year Executed/Recorded: 2006

6.3 SUMMARY OF PAST USE OF THE SURROUNDING PROPERTIES

- **North:** The northern adjoining property was developed with a narrow canal and beyond undeveloped marsh land in the 1953 to 1976 aerial photographs. Fill appeared at the northern adjoining property in the 1987 aerial photograph. The present-day commercial multi-tenanted building appeared to have been developed in the 1991 to 2014 aerial photographs.

Based on the reviewed city directories, the northern adjoining property addressed at 2001 N Congress Avenue has been occupied by several tenants, which included; Tire Kingdom, Access International, CP Trust, International Fine Arts, Windstorm Protection Co., Worldpac, Armor Screen Corporation, Safeart, Valencia Welding, Inc. Service Partners – Florida, LLC., and Edward's Air, inc..

- **Northeast:** The northeastern adjoining property was developed with a narrow canal and beyond undeveloped marsh land in the 1953 aerial photograph. A residential dwelling with outdoor material storage was depicted in the northeastern adjoining area in the 1964, 1965 & 1969 aerial photographs. The residential dwelling appeared to have been razed in the 1975 aerial photograph and fill appeared at the property in the 1976, 1986 & 1987 aerial photographs. North Congress Avenue appeared developed in the 1987 aerial photograph. The present-day building appeared developed in the 1991 aerial photograph and an asphalt parking lot appeared depicted in the 1995 aerial photograph. No significant changes were depicted in the 1999 to 2014 aerial photographs, when compared to the 1995 aerial photograph.
- **Northwest:** The northwestern adjoining property was depicted to be vacant marsh land in the 1953 aerial photograph. The C-17 Canal appeared developed in the 1964 aerial photograph, which appeared to have been expanded in the 1975 aerial photograph to measure approximately 250-feet wide. The present-day structures appeared to have been developed in the 1969 and 1975 aerial photographs. No significant changes were depicted in the 1976 to 2014 aerial photographs, when compared to the 1975 aerial photograph. Based on the reviewed city directories, the northwestern adjoining property addressed at 7071 Garden Road was occupied by educational facilities.
- **South:** The southern adjoining property was depicted to be vacant marsh land in the 1953 aerial photograph. Several dirt roads and evidence of dumping were observed in the 1964 to 1987 aerial photographs. The present-day apartment buildings appeared to have been constructed in approximately 1991. No significant changes were depicted in the 1993 to 2014 aerial photographs, when compared to the 1991 aerial photograph.
- **East:** The eastern adjoining property was depicted to be vacant marsh land in the 1953 aerial photograph. Evidence of dirt roads and dumping was observed in the 1975 and 1976 aerial photographs. Fill was depicted at the property in the 1986 to 2002 aerial photographs. The northeastern and southeastern adjoining manmade lakes appeared developed in the 1987 aerial photograph. The present-day residential complex began construction in the 1999 aerial photograph and appeared to be completed in the 2006 aerial photograph. No significant changes were depicted in the 2007 to 2014 aerial photographs, when compared to the 2006 aerial photograph. Based on the reviewed city directories, the property was occupied by residential tenants in at least 2005.

- **West:** The western adjoining property was depicted to be vacant marsh land in the 1953 aerial photograph. The C-17 Canal appeared developed in the 1964 aerial photograph, which appeared to have been expanded in the 1975 aerial photograph to measure approximately 250-feet wide. The western adjoining commercial structures were depicted to have been developed in the 1975 to 1991 aerial photographs. The filling station was depicted in at least the 2006 aerial photograph. No significant changes were depicted in the 2007 to 2014 aerial photographs, when compared to the 2006 aerial photograph. The closest structures were located approximately 400-feet west.

Based on the reviewed city directories, the western adjoining properties addressed at 6861 to 7071 Garden Road were occupied by several tenants, which included; Pickering & Co., Inc., Video Research Corp., Institute for Management, Consolidated Electric Supply, Automation Service Group, Inc., Intelligent Inspection Systems, Two Wheels Corp., Consolidated Oil Co., Anolaze Cop., Brick Markers USA, Rexel Consolidated, educational facilities and Engineered Environments, Inc.

SECTION 7.0 ENVIRONMENTAL REGULATORY DATABASE AND RECORD REVIEW

To comply with Section 8.1 and 8.2 of ASTM E1527-13, EE&G contracted Environmental Data Resources, Inc. (EDR) to conduct a search of database systems maintained by federal, tribal, state and local regulatory agencies concerning the storage, use and/or discharge of hazardous substances and/or petroleum products, compliance issues, environmental violations, and enforcement actions for the *Property* and surrounding sites within a specified search radius. The databases definitions, and detailed research findings, are presented in the *December 16, 2016, EDR Radius Map Report*, which is provided in **Appendix H**.

The following table summarizes the databases researched and their search distance criteria (based on the approximate minimum search distance recommended by ASTM Designation E1527-13). Further information regarding these databases, including the date the information was released by the Government and date the Government version was verified, can be found in the *EDR Radius Map Report*.

Federal Database (EPA)	Search Radius from <i>Property</i>
National Priorities List (NPL)	1.0-Mile Radius
Corrective Action Report (CORRACTS)	1.0-Mile Radius
Comprehensive Environmental Response Compensation and Liability Information System (CERCLIS)	0.5-Mile Radius
CERCLIS-No Further Remedial Action Planned (NFRAP)	0.5-Mile Radius
Resources Conservation and Recovery Information System (RCRIS) for Large Quantity Generators (LQGs) and Small Quantity Generators (SQGs)	0.25-Mile Radius
Biennial Reporting System (BRS) for LQGs and Treatment, Storage, and Disposal (TSD) facilities	0.5-Mile Radius
Emergency Response Notification System (ERNS)	Limited to the <i>Property</i>
PCB Activity Database System (PADS)	Limited to the <i>Property</i>
Facility Index System/Facility Identification Initiative Program Summary Report (FINDS)	Limited to the <i>Property</i>
Hazardous Materials Information Reporting System	Limited to the <i>Property</i>
Toxic Chemical Release System (TRIS)	Limited to the <i>Property</i>
Toxic Substance Control Act (TSCA)	Limited to the <i>Property</i>
State Database (FDEP)	Search Radius from <i>Property</i>
Florida's State-Funded Action Sites (FSAS) & State Hazardous Waste Sites (SHWS)	1.0-Mile Radius
Solid Waste Facilities/Landfill List (SWF/LF)	0.5-Mile Radius
Leaking Underground Storage Tank (LUST) & Petroleum Contamination Detail Report (PCT01)	0.5-Mile Radius
Florida's Registered USTs & ASTs	0.25-Mile Radius

Florida Cattle Vats	0.5-Mile Radius
Dry Cleaning Facilities (DRYCLN)	0.25-Mile Radius
Wastewater Facility Regulation Database	Limited to the <i>Property</i>
Local Database (Palm Beach County ERM)	Search Radius from Property
Registered Storage Tanks	0.5-Mile Radius
Solid Waste Sites	0.5-Mile Radius
Wellfield Wells	0.5-Mile Radius
Current Wellfield Zones	0.5-Mile Radius
Tribal Records	Search Radius from Property
INDIAN RESERV	1.0-Mile Radius
INDIAN LUST	0.5-Mile Radius
INDIAN UST	0.25-Mile Radius

7.1 SUMMARY OF DATABASE RESEARCH FOR THE *PROPERTY*

Based on a review of the *EDR Radius Map Report*, the *Property* was listed on the UST, Leaking UST (LUST), AST, Florida Financial Assurance and the *EDR* Historical Auto Station databases. The *Property* was identified on the online searched regulatory database systems maintained by the FDEP OCULUS, the Palm Beach County ERM Countywide Information Network for Electronic Media Access (CINEMA) and the Palm Beach County ERMs Environmental Access Search Index (EASI) Application. The following information was ascertained regarding the *Property* and excerpts from the regulatory file research were provided in **Appendix K**.

Riviera Beach Housing Authority – Senior Center (Facility IDs: 8734612 & FLR10EE01)

2014 West 17th Court (the *Property*)

LUST, UST, AST, NPDES and Florida Financial Assurance Databases

- The *Property* historically maintained an unregulated 100-gallon diesel fuel UST associated with a former emergency generator, which was situated east adjoining to the Ivy Green Senior building (on the southwestern portion of the *Property*).
- A Limited Contamination Assessment Report (LCAR) documented a diesel fuel discharge during the removal of the UST in October 2003. The UST was observed to be in good condition. The discharge was associated most likely with the piping to the generator located inside the building. Petroleum-stained soils were noted around the UST in the excavation and around the fuel supply line.
- Approximately 60-tons of diesel fuel-impacted soils were excavated to an approximate depth of 6.5-feet below land surface (BLS) and removed (at later time July 2004) from the *Property*. Groundwater was not encountered during the excavation; however, was encountered during the advancement of direct-push technology (DPT) soil borings. The

groundwater flow was determined to be in a south-southwestern direction. The groundwater table was at approximately 6-feet BLS and no free floating product (FFP) was identified. Excavation ceased when OVA/FID reached 10-ppm or groundwater was encountered. Elevated levels of net OVA/FID readings were detected at or below the water table. Soil and groundwater (three monitoring wells) assessment was conducted within the reportedly impacted area. Laboratory analyses were performed for VOAs, PAHs and TPHs. Elevated levels of PAHs and TPHs were detected above the FDEP soil and groundwater cleanup target levels (SCTLs/GCTLs).

- In 2005, after soils were excavated and later assessments reported concentrations of the constituents of concern (COCs) below the regulatory standard in the samples collected, the Palm Beach County ERM and the FDEP closed the case and approved a No Further Action (NFA) request with respect to the 2003 diesel discharge. The FDEP issued a Site Rehabilitation Completion Order (SRCO) to the facility in February 2005. The three monitoring wells were properly abandoned in April 2005.
- Historic registration records indicated that one 50-gallon leaded gasoline UST and one 50-gallon diesel fuel AST were maintained at the *Property*. A Stationary Tank Inventory dated May 3, 1989, listed the UST as abandoned and empty while the AST was still in-use. It appears that the 100-gallon UST removed may have actually been the UST referenced in the registration. No other evidence of USTs were identified.
- In 2006, the *Property* maintained a Notice of Intent (NOI) to Use Generic Permit for Stormwater Discharge from Large and Small Construction Activities, which was terminated in 2007.

Based on the regulatory files reviewed, the previous environmental assessments, and the potential for petroleum contamination of the soil and groundwater from two previously unidentified 50-gallon storage tanks was considered to be a potential environmental concern to the *Property*. However, based on the previous Phase II ESA findings, no evidence of a petroleum discharge was identified. The former UST issue was considered to be a Historical REC.

Johnathan Anderson Mobile

2019 West 17th Court (*Property*)

EDR Historic Auto Station database

- According to the *EDR Radius Map Report* a company called Johnathan Anderson Mobile occupied the site in 2002 and 2003 and was listed on the *EDR* Historic Auto Station database. No other reasonably ascertainable information was available for the listing. Based on the period of operation and site history reviewed, this facility did not appear to pose a significant environmental concern to the *Property*.

7.2 SUMMARY OF DATABASE RESEARCH FOR SURROUNDING PROPERTIES

Due to the flat topography, relatively flat hydraulic gradient, and relatively high natural biodegradation/attenuation capabilities in South Florida, the potential for contaminants to migrate horizontally has been minimized. However, sites potentially contaminated with volatile organic halocarbons (VOHs), such as dry cleaners, are of significant concern due to the mobility of these constituents in the groundwater. Thus, sites greater than one-sixteenth of a mile (330 feet) from the *Property* were not considered a significant environmental threat, unless potential impacts from chlorinated solvent compounds were a significant possibility.

Based on a review of the *EDR Radius Map Report*, the FDEP and the Palm Beach County ERMs EASI Application, no adjoining/surrounding facilities were identified within the search distances (adjusted based upon field observations), which could pose a potential environmental concern to the *Property*.

7.3 VAPOR ENCROACHMENT SCREENING

EE&G evaluated the potential for vapor encroachment in accordance with ASTM 2600-10, utilizing information obtained from the *EDR Radius Map Report*, adjusted based on site reconnaissance and the regulatory file review. Groundwater flow was assumed to be toward the southeast; however, the area was considered to be tidally-influenced. The area of concern (AOC), based on local topography and hydrogeology was determined to be 300-feet up-gradient, 150-feet cross-gradient, and 100-feet down-gradient (for solvent based properties) or 30-feet down-gradient (for petroleum based properties). No evidence of an unresolved petroleum or solvent discharge was identified within the AOC that would pose a Vapor Encroachment Condition (VEC).

7.4 ORPHAN SITES

Orphan sites are facilities that have been identified on the *EDR Radius Map Report*; however, due to poor or inadequate address information, the facilities could not be mapped by EDR with relation to the *Property*. A total of two sites were identified on the *EDR Radius Map Report*, and EE&G attempted to further assess these facilities. Based on the apparent distances from the *Property*, the listings were not considered to represent significant environmental concerns to the *Property*.

7.5 ENVIRONMENTAL LIENS, ACTIVITY AND USE LIMITATIONS (AUL)

AULs are one indication of a past or present release of a hazardous substance or petroleum products. AULs are legal or physical descriptions on the use of, or access to, a site or facility: to reduce and/or eliminate potential exposure to hazardous substances or petroleum products to soil or groundwater on the *Property* or to prevent activities that could interfere with the effectiveness of a response action or cleanup activity. Based on the regional environmental database research provided by EDR, no AULs or Institutional Controls/Engineering Controls (IC/EC) were reported for the *Property*. Furthermore, based on a review of the FDEP IC Registry, no evidence of AULs or IC/EC's was identified for the *Property*. According to ASTM E1527-13, a title records search is defined as User responsibilities.

SECTION 8.0

BUSINESS ENVIRONMENTAL RISK

EE&G conducted a limited business environmental risk assessment at the request of the Client, which focused on the following issues above and beyond the requirements of ASTM 1527-13:

- Asbestos Containing Materials
- Lead-Based Paint Review
- Mold/Mildew Evaluation
- Radon Gas Review
- Lead in Drinking Water Test

Please note that EE&G performed a records review (radon zone and construction date) and limited visual inspection only to assess for the potential presence of these items during the Phase I ESA, and no intrusive or analytical sampling was conducted.

Asbestos Containing Materials (ACM)

Asbestos-containing materials, as defined by National Emission Standards for Hazardous Air Pollutants (NESHAP), are those materials that have an asbestos content of greater than one percent. Friable ACM is material that can be crumbled or reduced to a powder using normal hand pressure. Non-friable material is too hard to be crumbled or reduced to a powder without the use of tools. Non-friable materials may become friable if abraded or broken. There are three broad classes that define suspect asbestos-containing materials. These are: 1) Surfacing Material, 2) Thermal System Insulation, and 3) Miscellaneous Material. All materials that fit the description of these materials are suspected to contain asbestos, until sampled and analyzed. EE&G generally uses the cutoff date of 1981 for estimating the likelihood that buildings materials may contain ACMs.

- Based on the date of construction of the onsite structure (mid 1990s to mid 2000s), there does not appear to be a likelihood for ACMs to be present.

Lead-Based Paint (LBP)

Lead-based paint (LBP) is defined as any paint, varnish, stain or other applied coating that has ≥ 1 milligram/cm² or more of lead by federal guidelines; state and local definitions may differ from the federal definitions in amounts ranging from 0.5 milligram/cm² to 2.0 milligram/cm². These definitions are used to enforce regulations that apply to certain activities conducted in housing constructed prior to 1978, such as abatement, or the permanent elimination of a "lead-based paint hazard." Effective April 22, 2010, the US EPA also required that all renovators who work in homes built pre-1978 and disturb more than six square-feet of lead paint be certified. The information below is for general assessment purposes, and does not constitute a lead-based paint survey or evaluation (i.e. per Housing and Urban Development (HUD) guidelines).

- Based on the date of construction of the onsite structure (mid 1990s to mid 2000s), there does not appear to be a likelihood for LBPs to be present.

Mold/Mildew

EE&G did not observe evidence of mold/mildew in the two structures observed onsite.

Radon

Based on the Radon Zones Map published by the United States EPA indoor air quality division, the *Property*, located in Palm Beach County, Florida, which was identified as Zone 3 or low potential for radon presence (typically less than 2-picocuries of radon per liter of air –pCi/L). The U.S. EPA's recommended action level is 4.0 pCi/L. Based this regional classification, the potential for radon appeared to be a low risk. However, only through actual testing can a more definitive opinion be developed.

Lead in Drinking Water

On December 22, 2016 EE&G collected two water samples from the source of potable water within the women's restroom in the office building at the *Property*. EE&G collected a water sample from the initial faucet opening and another water sample after running the water to flush the lines. The potable water samples were transported to a NELAC-certified laboratory. The potable water samples were analyzed for total lead by EPA Method 200.8.

Potable water analytical results were compared with the FDEP *Maximum Contaminant Levels*, per Chapter 62-550, FAC, which regulates the Maximum Contaminant Levels (MCL) for Drinking Water in Florida. Copies of the drinking water analytical results and chain of custody forms are provided in **Appendix J**. A summary of the drinking water results is provided in **Table 1** within **Appendix J**.

- Total lead in the drinking water was below the 0.015 mg/L MCL

SECTION 9.0 FINDINGS & OPINIONS

The following is a summary of the Phase I ESA Update research findings and opinions.

- The *Property* was located in a commercial/residential district of the City of Riviera Beach. The surrounding area was characterized by residential, educational and commercial properties. The nearest surface water bodies were the western adjoining C-17 canal, northern adjoining narrow canal and the northeastern and southeastern adjoining manmade lakes, beyond North Congress Avenue. The *Property* was zoned as Low Density Multiple Family Dwelling District (RML-12) according to the Riviera Beach, Florida Zoning Map.
- The *Property* measured 15.37-acres and was currently developed with three structures; an administrative building constructed circa the mid-2000s, a maintenance building constructed circa the mid-1990s and a FPL utility structure of unknown construction date. EE&G observed *de minimis* municipal garbage debris along the borders of the *Property*.
- Limitations were encountered during the site reconnaissance, including; no access to the electrical room within the administrative building, no interior access to the former FPL electrical structure and overgrown vegetation limiting visual inspection. However, these limiting conditions did not compromise the ability of the Environmental Professional to identify RECs.
- Based on the regulatory review, the *Property* historically maintained a 100-gallon diesel fuel UST associated with an emergency generator located at the eastern portion of the former senior building at the western portion of the site. A diesel fuel discharge was reported in October 2003 during the UST removal. Approximately 60 tons of diesel impacted soils were excavated and removed from the *Property*. Soil and groundwater assessment was conducted within the impacted area and in 2005, the site received NFA status from the County and SRCO status from the FDEP, with respect to the 2003 diesel discharge. The former UST issue was considered to be a Historical REC.
- Historic registration records indicated that one 50-gallon leaded gasoline UST and one 50-gallon diesel fuel AST were maintained at the *Property*. A Stationary Tank Inventory dated May 3, 1989, listed the UST as abandoned and empty while the AST was still in-use. It appears that the 100-gallon UST removed may have actually been the UST referenced in the registration. No other evidence of USTs was identified. However, it would not be uncommon for other former apartment buildings at the *Property* to have maintained fuel USTs. Therefore, as a Business Environmental Risk (BER), in the event that an unknown UST is encountered during redevelopment, then it should be removed in accordance with State and County guidelines, under the supervision of a Florida-licensed Professional Geologist or Professional Engineer.
- In May 2008, EE&G conducted a Phase II ESA to evaluate the RECs identified in the prior Phase I ESA at the *Property*. EE&G collected one soil and groundwater sample from the former UST area and five additional surficial samples across the *Property* to address the dumping concerns observed in the late 1960s. Based on the Phase II ESA findings, the soil and groundwater samples did not reveal concentrations of the tested

parameters above the applicable cleanup target levels, except for the presence of arsenic that was detected in the soil sample collected from soil SB-6 (northwest portion of the *Property*) at a concentration of 2.37 mg/Kg, which slightly exceeded the 2.10 mg/Kg *residential-use direct exposure* SCTL. The soil sample collected from SB-1 (former UST location) exhibited a low concentration of TPH below the applicable SCTLs. Additionally, low or trace concentrations, below their respective GCTLs, of PAHs, VOCs, and TPHs were detected in the groundwater sample collected from GW-1 (former UST location).

- Since only one of the six soil samples from across the *Property* contained elevated concentrations of arsenic (slightly above the 2.1 mg/Kg SCTL), this sample was considered to be an anomaly and additional investigation did not appear to be warranted at the time.
- Although soil and groundwater concentrations of the tested parameters did not exceed the CTLs, except for one soil sample which reportedly contained slightly elevated concentrations of arsenic, visual observations and organic vapor readings collected from below the water table revealed dark staining, strong petroleum-like odor and organic vapors above the 10-ppm threshold. However, considering that the County and the FDEP already closed out the issue, and considering that the 2008 confirmation soil and groundwater samples did not contain concentrations of petroleum hydrocarbon constituents above the applicable CTLs, no new notification to the FDEP was warranted. The former UST issue was considered to be a Historical REC.
- Phase I ESA Updates conducted at the *Property* in November 2012, October 2013 and March 2016 did not identify any new RECs since the original Phase I and Phase II ESA conducted in May 2008.
- Review of available historical documents indicated that the *Property* was vacant in 1953 to 1975. Aerial photographs between 1964 and 1975 depicted evidence of extensive dumping prior to the site being developed with the former apartment building complex in 1976. The structures were demolished in 2007 to 2012.
- EE&G retained EDR to provide a Chain of Title, which researched ownership of the *Property* back to 1940. The earliest recorded deed was in 1959, documenting the Palm Beach County Housing Authority received the *Property* from Palm Beach Farms. No other deeds of conveyance were found prior to 1959. EDR noted in the COT that Palm Beach farms Co. acquired thousands of acres of undeveloped land starting in the 1920s. Based on a review of the reasonably ascertainable aerial photographs, no evidence of row crops were observed on the *Property*.
- Based on the regulatory files and/or historical research performed, none of the adjoining/surrounding properties appeared to represent a significant environmental concern to the *Property*.
- *Data failure and data gaps* were encountered when researching the history of the *Property*. However, based on either the apparent lack of significant change between these records, or cross-references with corresponding resources, the reasonably ascertainable historical resources provided sufficient information to meet the objective of

developing the history of previous uses for the *Property* and surrounding areas. Therefore, it did not appear that the *data failure* or *data gaps* compromised the ability of the Environmental Professional to identify RECs.

- EE&G evaluated the potential for vapor encroachment in accordance with ASTM 2600-10, utilizing information obtained from the *EDR Radius Map Report*, adjusted based on site reconnaissance and the regulatory file review. No evidence of an unresolved petroleum or solvent discharge was identified within the AOC that would pose a Vapor Encroachment Condition (VEC).
- Based on the regional environmental database research provided by *EDR*, no AULs or Institutional Controls/Engineering Controls (IC/EC) were reported for the *Property*. A search of land title records was not included as part of the scope of activities for this Phase I ESA, which under ASTM E1527-13 is the responsibility of the User. Therefore, the Client is advised to independently review such title records to assess for the presence of environmental liens or AULs currently recorded against or relating to the *Property* in order to maintain the LLP eligibility.

SECTION 10.0 CONCLUSIONS

EE&G has performed a Phase I Environmental Site Assessment (ESA) Update in conformance with the scope and limitations of ASTM Practice Designation E1527-13 of Heron Estates, located at 2003 West 17th Court, in Riviera Beach, Palm Beach County, Florida 33404. The *Property* was identified with the Palm Beach County Parcel Control Number: 56-43-42-31-01-000-0010. This assessment has revealed no evidence of Recognized Environmental Conditions (RECs) in connection with the *Property* since the March 2016 Phase I ESA Update. The previous RECs that were originally identified in the May 2008 Phase I ESA were concurrently addressed in the May 2008 Phase II ESA. Additionally, this assessment has revealed no evidence of Controlled Recognized Environmental Conditions (CRECs).

The following Historical REC was identified:

- Based on the regulatory review, the *Property* historically maintained a 100-gallon diesel fuel UST associated with an emergency generator located at the eastern portion of the former senior building at the western portion of the site. A diesel fuel discharge was reported in October 2003 during the UST removal. Approximately 60 tons of diesel impacted soils were excavated and removed from the *Property*. Soil and groundwater assessment was conducted within the impacted area and in 2005, the site received NFA status from the County and SRCO status from the FDEP, with respect to the 2003 diesel discharge. In May 2008 EE&G conducted a Phase II ESA, during which confirmation soil and groundwater samples were collected from the former UST area, and results were below the Soil and Groundwater Cleanup Target Levels. Therefore, the former UST issue was considered to be a Historical REC. However, EE&G observed evidence of hydrocarbon odors in soils below the water table in this area. Therefore, in the event that these soils are excavated in the future, then they should be characterized to determine proper disposal options.

The following Business Environmental Risk (BER) was identified:

- No evidence of other USTs was observed during the site reconnaissance. However, it would not be uncommon for other former apartment buildings at the *Property* to have maintained fuel USTs. Therefore, as a BER, in the event that an unknown UST is encountered during redevelopment, then it should be removed in accordance with State and County guidelines, under the supervision of a Florida-licensed Professional Geologist or Professional Engineer.

As documented in Section 4.5.1 of ASTM E1527-13, “no environmental site assessment can wholly eliminate uncertainty regarding the potential for RECs in connection with a property. Performance of this practice is intended to reduce, but not eliminate, uncertainty regarding the potential for RECs in connection with a property, and this practice recognizes reasonable limits of time and cost.” Therefore, environmental conditions may exist on the *Property* that could not be identified through the scope of this investigation.

SECTION 11.0
ENVIRONMENTAL PROFESSIONAL STATEMENT

The company statement of qualifications and the resume for the professional who completed this Phase I ESA Update are provided in **Appendix L**.


We declare that, to the best of our professional knowledge and belief, we meet the definition of *Environmental Professional* (EP) as defined in § 312.10(b) of 40 Code of Federal Regulations (CFR). The Environmental Professional who directed this project has the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Report Prepared By:



Alessia Juan
Associate Staff Professional

Report Reviewed By:



Craig Clevenger, P.G., EP
Senior Hydrogeologist
EE&G

SECTION 12.0 REFERENCES

12.1 RECORDS OF COMMUNICATION

- Ms. Maria Serrano, Public Records Request, FDEP
- Mr. Patrick Wille, the storage tank compliance program supervisor, Palm Beach County Department of ERM
- Mr. Alan Davis with the City of Riviera Beach Public Works Stormwater Department
- Ms. Cheryl with the City of Riviera Beach Code Enforcement Department
- Ms. Chelsea with the City of Riviera Beach Building Department
- Mr. Delvin Thomas, site contact and chairman of the Riviera Beach Housing Authority

12.2 REGULATORY RECORDS AND PUBLIC DOCUMENTS

- Environmental Data Resources, Inc. – *EDR Radius Map with Geocheck*
- Palm Beach County ERM EASI Application
- Palm Beach County Property Appraiser
- Palm Beach County ERM CINEMA
- FDEP Oculus online database
- FDEP Bureau of Petroleum Storage Systems

12.3 PUBLISHED REFERENCES

- ASTM Designation E1527-13; Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process.
- ASTM E2600 Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions.
- United States Geological Service (USGS) Topographic Map: Riviera Beach, FL 7.5 Minute Quadrangle.
- Palm Beach County Soil Survey, USDA, Soil Conservation Services.
- Sanborn Fire Insurance Maps.
- "Water Resources Atlas of Florida" Florida State University, 1985.
- Reese and Wacker (2009); U.S. Geological Survey Scientific Investigations Report 2009-5113; *Hydrogeologic and Hydraulic Characterization of the Surficial Aquifer System, and Origin of High Salinity Groundwater, Palm Beach County, Florida*
- Swayze and Miller (1984); Water-Resources Investigations Report 83-4249; *Hydrogeology of a Zone of Secondary Permeability in the Surficial Aquifer of Eastern Palm Beach County, Florida*

- U.S. Geological Survey Water Resources Investigations Report No. 99-4061, *Hydrogeology and the Distribution of Salinity in the Floridan Aquifer System, Palm Beach County, Florida*, dated 2000.

12.4 DEFINITIONS & ACRONYMS

A summary of the terms, definitions and acronyms commonly used in this report and ASTM E1527-13 is provided in **Appendix M**.

EXHIBIT K

**FLORIDA HOUSING FINANCE CORPORATION
VERIFICATION OF AVAILABILITY OF INFRASTRUCTURE - ELECTRICITY**

FHFC Application Reference: ~~2014-115~~ 2015-112

Indicate the name of the application process under which the proposed Development is applying/has applied for funding from the Corporation such as the Request for Proposal/Application number and/or the name of the Request for Proposal/Application.

Name of Development: Heron Estates Senior

Development Location: W 17 Ct., W 17th Ct. and North Congress Ave., Riviera Beach, Florida

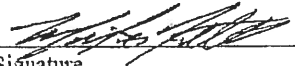
At a minimum, provide the address number, street name and city and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county).

The undersigned service provider confirms that on or before the submission deadline for the above referenced FHFC Request for Proposal/Application:

1. Electricity is available to the proposed Development, subject to item 2 below.
2. To access such electric service, the Applicant may be required to pay hook-up, installation and other customary fees, comply with other routine administrative procedures, and install or construct line extensions and other equipment in connection with the construction of the Development.

CERTIFICATION

I certify that the foregoing information is true and correct.



Signature

Mike Felto

Print or Type Name

Associate Engineer

Print or Type Title

Florida Power and Light

Name of Entity Providing Service

100 S Delaware Blvd, Jupiter, FL 33458

Address (street address, city, state)

561-575-6302

Telephone Number (including area code)

This certification may not be signed by the Applicant, by any related parties of the Applicant, or by any Principals or Financial Beneficiaries of the Applicant. In addition, signatures from local elected officials are not acceptable. If the certification is applicable to this Development and it is inappropriately signed, the certification will not be accepted.

**FLORIDA HOUSING FINANCE CORPORATION
VERIFICATION OF AVAILABILITY OF INFRASTRUCTURE - WATER**

FHFC Application Reference: ~~2014-115~~ 2015-112

Indicate the name of the application process under which the proposed Development is applying/has applied for funding from the Corporation such as the Request for Proposal/Application number and/or the name of the Request for Proposal/Application

Name of Development: Heron Estates Senior

Development Location: W17th Ct., W 17th Ct and N. Congress, Riviera Beach, Florida

At a minimum, provide the address number, street name and city and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county).

The undersigned service provider confirms that on or before the submission deadline for the above referenced FHFC Request for Proposal/Application:

1. Potable water is available to the proposed Development, subject to item 2 below.
2. To access such water service, the Applicant may be required to pay hook-up, installation and other customary fees, comply with other routine administrative procedures, and install or construct line extensions and other equipment, including but not limited to pumping stations, in connection with the construction of the Development.

CERTIFICATION

I certify that the foregoing information is true and correct.

[Signature]
Signature

Giles Roads
Print or Type Name

Assistant Executive Director
Print or Type Title

City of Riviera Beach Special Utility District
Name of Entity Providing Service

600 W. Blue Heron Blvd, Riviera Beach
Address (street address, city, state)

FL 33404

561-845-4185
Telephone Number (including area code)

This certification may not be signed by the Applicant, by any related parties of the Applicant, or by any Principals or Financial Beneficiaries of the Applicant. In addition, signatures from local elected officials are not acceptable. If the certification is applicable to this Development and it is inappropriately signed, the certification will not be accepted

FLORIDA HOUSING FINANCE CORPORATION
VERIFICATION OF AVAILABILITY OF INFRASTRUCTURE - SEWER CAPACITY,
PACKAGE TREATMENT, OR SEPTIC TANK

FHFC Application Reference: ~~2014-115~~ 2015-112

Indicate the name of the application process under which the proposed Development is applying/has applied for funding from the Corporation such as the Request for Proposal/Application number and/or the name of the Request for Proposal/Application.

Name of Development: Heron Estates Senior

Development Location: W17th Ct., W17th Ct. and N. Congress Ave, Riviera Beach

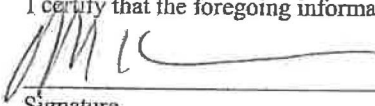
At a minimum, provide the address number, street name and city and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county).

The undersigned service provider confirms that on or before the submission deadline for the above referenced FHFC Request for Proposal/Application:

1. Sewer Capacity, Package Treatment, or Septic Tank is available to the proposed Development, subject to item 2 below.
2. To access such waste treatment service, the Applicant may be required to pay hook-up, installation and other customary fees, comply with other routine administrative procedures, and install or construct line extensions and other equipment, including but not limited to pumping stations, in connection with the construction of the Development.

CERTIFICATION

I certify that the foregoing information is true and correct.


Signature

MARY MCKINNEY

Print or Type Name

DIRECTOR OF COMMUNITY DEVELOPMENT
Print or Type Title

CITY OF RIVIERA BEACH

Name of Entity Providing Service

600 W BLUE HERON BLVD.

Address (street address, city, state)

RIVIERA BEACH, FL 33404

(561) 845-4060

Telephone Number (including area code)

This certification may not be signed by the Applicant, by any related parties of the Applicant, or by any Principals or Financial Beneficiaries of the Applicant. In addition, signatures from local elected officials are not acceptable. If the certification is applicable to this Development and it is inappropriately signed, the certification will not be accepted.

**FLORIDA HOUSING FINANCE CORPORATION
VERIFICATION OF AVAILABILITY OF INFRASTRUCTURE - ROADS**

FHFC Application Reference: ~~2014-115~~ 2015-112

Indicate the name of the application process under which the proposed Development is applying/has applied for funding from the Corporation such as the Request for Proposal/Application number and/or the name of the Request for Proposal/Application.

Name of Development: Heron Estates Senior

W17th Ct., W 17th Ct. and N. Congress Ave, Riviera Beach

Development Location: _____

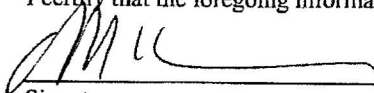
At a minimum, provide the address number, street name and city and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county).

The undersigned service provider confirms that on or before the submission deadline for the above referenced FHFC Request for Proposal/Application:

1. Existing paved roads provide access to the proposed Development or paved roads will be constructed as part of the proposed Development.
2. There are no impediments to the proposed Development using the roads other than payment of impact fees or providing curb cuts, turn lanes, signalization, or securing required final approvals and permits for the proposed Development.
3. The execution of this verification is not a granting of traffic concurrency approval for the proposed Development.

CERTIFICATION

I certify that the foregoing information is true and correct.



Signature

MARY MCKINNEY

Print or Type Name

DIRECTOR OF COMMUNITY
DEVELOPMENT

Print or Type Title

CITY OF RIVIERA BEACH

Name of Entity Providing Service

600 W BLUE HERON BLVD

Address (street address, city, state)

RIVIERA BEACH, FL 33404

(561) 845-4060

Telephone Number (including area code)

This certification may not be signed by the Applicant, by any related parties of the Applicant, or by any Principals or Financial Beneficiaries of the Applicant. In addition, signatures from local elected officials are not acceptable. If the certification is applicable to this Development and it is inappropriately signed, the certification will not be accepted.