

**Exhibit A to RFA 2020-204 Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments**

Unless stated otherwise, all information requested pertains to the Development proposed in this Application upon completion of the construction or rehabilitation work.

**1. Applicant Certification and Acknowledgement form**

Provide the Applicant Certification and Acknowledgement, executed by the Authorized Principal Representative, as **Attachment 1**.

**2. Demographic Commitment**

Select one of the following Demographic Commitments:

Family

**3. Applicant, Developer, Management Company, and Contact Person**

a. Applicant

- (1) Name of Applicant

Hallmark Foxmeadow, LLC

- (2) Provide the required documentation to demonstrate that the Applicant is a legally formed entity qualified to do business in the state of Florida as of the Application Deadline as **Attachment 2**.

- (3) Non-Profit Applicant qualifications

Does the Applicant or the General Partner or managing member of the Applicant meet the definition of Non-Profit as set forth in Rule Chapter 67-48, F.A.C.?

No

If "Yes", provide the required information for the Non-Profit entity as **Attachment 3**.

b. Developer Information

- (1) Name of each Developer (including all co-Developers)

Hallmark Development Partners, LLC

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- (2) For each Developer entity listed in question (1) above (that is not a natural person), provide, as **Attachment 4**, the required documentation demonstrating that the Developer is a legally formed entity qualified to do business in the state of Florida as of the Application Deadline.
- (3) Developer Experience
- (a) Required Developer Experience
- To be eligible for funding, for each experienced Developer entity, provide, as **Attachment 4**, the required prior experience chart for at least one experienced natural person Principal of that entity.
- (b) Developer Experience Withdrawal Disincentive (5 Points)
- To receive five points, the Developer Experience Withdrawal Disincentive criteria outlined in Section Four A.3.b.(3)(b) of the RFA must be met.
- (c) Emergency Rule 67ER20-1 Disincentive Points (5 Points)
- Per Emergency Rule 67ER20-1, have all increases in rent that impact existing tenants in all Applications that share Principals of the Applicant or Developer financed in whole or in part by the Corporation been suspended March 8, 2020 through July 28, 2020?

Yes

If "Yes", the Application will be awarded five points.

c. Principals Disclosure for the Applicant and for each Developer

(1) Eligibility Requirement

To meet the submission requirements, the Applicant must upload the Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 05-2019) ("Principals Disclosure Form") with the Application and Development Cost Pro Forma, as outlined in Section Three of the RFA identifying the Principals of the Applicant and Developer(s) as of the Application Deadline.

To meet eligibility requirements, the Principals Disclosure Form must identify, pursuant to Subsection 67-48.002(94), 67-48.0075(8) and 67-48.0075(9), F.A.C., the Principals of the Applicant and Developer(s) as of the Application Deadline. For Housing Credits, the investor limited partner of an Applicant limited partnership or the investor member of an Applicant limited liability company must be identified.

(2) Advance Review Process (5 Points)

Applicants will receive five points if the uploaded Principal Disclosure Form was either (a) stamped "Approved" at least 14 Calendar Days prior to the Application Deadline; or (b) stamped "Received" by the Corporation at least 14 Calendar Days prior to the Application Deadline AND stamped "Approved" prior to the Application Deadline.

d. Management Company

(1) Contact Information

First Name: Martin  
Middle Initial: H.  
Last Name: Petersen  
Management Company: Hallmark Management, Inc.  
Street Address: 3111 Paces Mill Road, Suite-A-250  
City: Atlanta  
State: Georgia  
Zip: 30339  
Telephone: 770 984 2100 Ext. 107  
E-Mail Address: ppetersen@hallmarkco.com

(2) Provide, as **Attachment 5**, the required prior experience chart for the Management Company or a principal of the Management Company reflecting the required information.

e. Contact Person

(1) Authorized Principal Representative contact information (required)

First Name: Martin  
Middle Initial: H.  
Last Name: Petersen  
Organization: Hallmark Development Partners, LLC  
Street Address: 3111 Paces Mill Road, Suite A-250  
City: Atlanta  
State: Georgia  
Zip: 30339  
Telephone: 770 984 2100 Ext. 107  
E-Mail Address: ppetersen@hallmarkco.com

(2) Operational Contact Person information (optional)

First Name: William  
Middle Initial: A.  
Last Name: Glisson  
Organization: Hallmark Development Partners, LLC  
Street Address: 3111 Paces Mill Road, Suite A-250  
City: Atlanta

State: Georgia  
Zip: 30339  
Telephone: 770 984-2100 Ext. 130  
E-Mail Address: bglisson@hallmarkco.com

**4. General Proposed Development Information**

- a. Name of the proposed Development  
Foxmeadow Apartments
- b. Development Category/Rental Assistance (RA) Level
  - (1) Select the Development Category  
Acquisition and Preservation
  - (2) The Development Category requirements are outlined in Section Four.
  - (3) Rental Assistance (RA) Level

The Corporation will calculate the Rental Assistance (RA Level) based on the Development Category Qualification Letter provided as **Attachment 6** and using the criteria described in Section Four.

- c. Select the Development Type  
Garden Apartments
- d. Enhanced Structural Systems ("ESS") Construction Qualifications

Does the proposed Development meet the requirements to be considered ESS Construction as outlined in Section Four A.4.d. of the RFA?

No

**5. Location of proposed Development**

- a. County: Washington
- b. Development Location
  - (1) Address of Development Site:  
Site 1: 844 Glenwood Avenue  
Site 2: 542 2nd Street
  - (2) City of Development Site:

Chipley

- c. Does the proposed Development consist of Scattered Sites?

Yes

- d. Latitude and Longitude Coordinates

- (1) Development Location Point

Latitude in decimal degrees, rounded to at least the sixth decimal place  
Site 1: 30.790710

Longitude in decimal degrees, rounded to at least the sixth decimal place  
Site 1: -85.544310

- (2) If the proposed Development consists of Scattered Sites, for each Scattered Site that is in addition to the Development Location Point information provided in (1) above, identify the latitude and longitude coordinate, rounded to at least the sixth decimal place:

Site 2: 30.791500 Latitude

Site 2: -85.544312 Longitude

- e. Proximity

- (1) PHA or RD 515 Proximity Point Boost

- (a) Does the proposed Development qualify for the PHA Proximity Point Boost?

No

If "Yes", provide the required letter as **Attachment 7**.

- (b) Does the proposed Development qualify for the RD 515 Proximity Point Boost?

Yes

If "Yes", provide the required letter as **Attachment 14**.

- (2) Transit Services

Applicants may select Private Transportation or provide the location information and distance for one of the remaining four Transit Services on which to base the Application's Transit Score.

- (a) If the proposed Development will serve the Elderly (ALF or Non-ALF) or Persons with a Disability Demographic Commitment, does the Applicant commit to provide Private Transportation?

N/A

- (b) Other Transit Services

Service	Latitude	Longitude	Distance (rounded up to the nearest hundredth of a mile) *
Public Bus Stop 1	<a href="#">Latitude Coordinates</a>	<a href="#">Longitude Coordinates</a>	<a href="#">Distance</a>
Public Bus Stop 2	<a href="#">Latitude Coordinates</a>	<a href="#">Longitude Coordinates</a>	<a href="#">Distance</a>
Public Bus Stop 3	<a href="#">Latitude Coordinates</a>	<a href="#">Longitude Coordinates</a>	<a href="#">Distance</a>
Public Bus Transfer Stop	<a href="#">Latitude Coordinates</a>	<a href="#">Longitude Coordinates</a>	<a href="#">Distance</a>
Public Bus Rapid Transit Stop	<a href="#">Latitude Coordinates</a>	<a href="#">Longitude Coordinates</a>	<a href="#">Distance</a>
SunRail Station, MetroRail Station, or TriRail Station	<a href="#">Latitude Coordinates</a>	<a href="#">Longitude Coordinates</a>	<a href="#">Distance</a>

\*Distance between the coordinates of the Development Location Point and the coordinates of the service. The method used to determine the latitude and longitude coordinates must conform to Rule 5J-17, F.A.C., formerly 61G17-6, F.A.C. All calculations shall be based on "WGS 84" and be grid distances. The horizontal positions shall be collected to meet sub-meter accuracy (no autonomous hand-held GPS units shall be used).

(3) Community Services

Service	Service Name	Service Address	Distance (rounded up to the nearest hundredth of a mile):*
Grocery Store	Piggly Wiggly	1264 Church Ave, Chipley	.72
Medical Facility	PanCare Health Medical	1414 Main Street, Suite 4	2.09
Pharmacy	CVS Pharmacy	1037 Main Street	1.39
Public School	Kate M. Smith Elementary School	1447 South Blvd, Chipley	1.66

\*Distance between the coordinates of the Development Location Point and the coordinates of the service. The method used to determine the latitude and longitude coordinates must conform to Rule 5J-17, F.A.C., formerly 61G17-6, F.A.C. All calculations shall be based on "WGS 84" and be grid distances. The horizontal positions shall be collected to meet sub-meter accuracy (no autonomous hand-held GPS units shall be used).

**6. Number of Units and Buildings**

a. Total number of units that will be in the proposed Development upon completion: 44

b. Provide the number of new construction units and rehabilitation units

100% Rehabilitation

If "Combination of new construction and rehabilitation units" is selected, state the quantity of each type:

N/A new construction units

N/A rehabilitation units

c. The existing affordable development must be at least 75 percent occupied as of the Application. A plan for relocation of existing tenants will be required to be provided to the Credit Underwriter, as outlined in Exhibit D.

d. Set-Aside Commitments

(1) Select one of the following minimum set-aside commitments:

40% of units at 60% or lower

(2) Total Set-Aside Breakdown Chart

(a) Applicants committing to the minimum set-aside commitment of 20 percent of the total units at 50 percent of the Area Median Income or less or 40 percent of the total units at 60 percent of the Area Median Income or less must complete the following chart:

Total Set-Aside Breakdown Chart	
Percentage of Residential Units	AMI Level
<u>0 %</u>	At or Below 25%
<u>0 %</u>	At or Below 28%
<u>0 %</u>	At or Below 30%
<u>0 %</u>	At or Below 33%
<u>0 %</u>	At or Below 35%
<u>21 %</u>	At or Below 40%
<u>0 %</u>	At or Below 45%
<u>0 %</u>	At or Below 50%
<u>79 %</u>	At or Below 60%
<u>100 %</u>	<b>Total Set-Aside Percentage</b>

- (b) Applicants committing to the Average Income Test must complete this chart:

Total Set-Aside Breakdown Chart	
Number of Residential Units	AMI Level
<u>0</u>	At or Below 20%
<u>0</u>	At or Below 30%
<u>9</u>	At or Below 40%
<u>0</u>	At or Below 50%
<u>35</u>	At or Below 60%
<u>0</u>	At or Below 70%
<u>0</u>	At or Below 80%
<u>0</u>	Market Rate Units
<u>100 %</u> <b>(Total Set-Aside Percentage)</b>	

Note: The Development Cost Pro Forma includes an Average Income Test worksheet to assist Applicants in this calculation. If the Total Set Aside Breakdown Chart reflects that the Average AMI of all Set-Aside Units exceeds 60 percent, and/or if the number of Set-Aside Units set aside at 30 percent AMI or less, is not equal to or greater than the required ELI commitment, and/or the overall Set-Aside Commitment requirement is not met, the Application will not be eligible for funding.

e. Unit Mix Chart

- (1) Complete the chart below:

Number of Bedrooms/Bathrooms per Unit	Number of Units per Bedroom Type	Number of Units that are ELI Set-Aside Units
<u>1 Bedroom/1 Bathroom</u>	<u>20</u>	<u>4</u>
<u>2 Bedrooms/1 Bathroom</u>	<u>24</u>	<u>5</u>
<u>Choose an item.</u>	<u>Enter Number</u>	<u>Enter Number</u>
<u>Choose an item.</u>	<u>Enter Number</u>	<u>Enter Number</u>
<u>Choose an item.</u>	<u>Enter Number</u>	<u>Enter Number</u>
<u>Choose an item.</u>	<u>Enter Number</u>	<u>Enter Number</u>

- (2) Answer the following questions:

- (a) How many Zero Bedroom Units are described in the unit mix chart?

0

- (b) How many one-bedroom units are described in the unit mix chart?

20

- (c) How many two-bedroom units are described in the unit mix chart?

24

- (d) How many three-bedroom units are described in the unit mix chart?

0

- (e) How many four-bedroom units are described in the unit mix chart?

0

f. Number of Buildings

Number of anticipated residential buildings: 9

g. Compliance Period

All Applicants are required to set aside the units for 50 years as further described in Section Four of the RFA.

**7. Readiness to Proceed**

a. Site Control

The properly completed and executed Florida Housing Finance Corporation Site Control Certification form (Form Rev. 08-18) and attachments must be provided as **Attachment 8** to demonstrate site control as of Application Deadline.

b. Ability to Proceed documents

- (1) Provide the required documentation to demonstrate zoning as **Attachment 9**.

- (2) Provide the required documentation to demonstrate availability of water as **Attachment 10**.

- (3) Provide the required documentation to demonstrate availability of sewer as **Attachment 11**.

**8. Construction Features**

a. Federal requirements and State Building Code requirements for all Developments are outlined in Section Four.

- b. General feature requirements for all Developments are outlined in Section Four.
- c. Accessibility feature requirements for all Developments are outlined in Section Four.
- d. Green Building Features:
  - (1) Green Building feature requirements for all Developments are outlined in Section Four.
  - (2) Applicants must select enough of the following Green Building Features so that the total point value of the features selected equals at least 10, in addition to committing to the required Construction Features listed in Section Four.
    - Programmable thermostat in each unit (2 points)
    - Humidistat in each unit (2 points)
    - Water Sense certified dual flush toilets in all bathrooms (2 points)
    - Light colored concrete pavement instead of or on top of asphalt to reduce the heat-island effect (2 points)
    - Energy Star certified roof coating (2 points) \*
    - Energy Star certified roofing materials (metal, shingles, thermoplastic polyolefin (TPO), or tiles) (3 points) \*
    - Eco-friendly cabinets – no added urea formaldehyde and material must be certified by the Forest Stewardship Council, the Environmental Stewardship Program, or a certification program endorsed by the Programme for the Endorsement of Forest Certification (3 points)
    - Eco-Friendly flooring for entire unit – Carpet and Rug Institute Green Label certified carpet and pad, FloorScore certified flooring, bamboo, cork, 80% recycled content tile, and/or natural linoleum (3 points)
    - High Efficiency HVAC with SEER of at least 16 (2 points) \*\*
    - Energy efficient windows in each unit (3 points)
      - For all Development Types except Mid-Rise and High-Rise: Energy Star rating for all windows in each unit;
      - For Development Type of Mid-Rise and High-Rise:
        - U-Factor of 0.50 or less and a SHGC of 0.25 or less where the fenestration is fixed; and
        - U-Factor of 0.65 or less and a SHGC of 0.25 or less where the fenestration is operable (i.e., the window opens)
    - Florida Yards and Neighborhoods certification on all landscaping (2 points)
    - Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings (2 points)

\*The Applicant may choose only one option related to Energy Star certified roofing.

\*\*Applicants who choose high efficiency HVACs must meet the standards listed here, which exceed the minimum Green Building Features required of all Developments Section Four A.8. of the RFA.

## **9. Resident Programs**

a. Applicants that select the Family Demographic must commit to provide at least three of the following resident programs:

- After School Program for Children
- Adult Literacy
- Employment Assistance Program
- Family Support Coordinator
- Financial Management Program

b. Developments serving the Elderly (ALF or Non-ALF) Demographic:

- (1) Required Resident Programs for all Applicants that select the Elderly Demographic (ALF or Non-ALF) are outlined in Section Four.
- (2) Additional required Resident Programs for all Applicants who select the Elderly ALF Demographic Commitment are outlined in Section Four.
- (3) Applicants that select the Elderly (ALF or Non-ALF) Demographic must commit to at least three of the following resident programs, in addition to the required resident programs stated in Section Four:

- Adult Literacy
- Computer Training
- Daily Activities
- Assistance with Light Housekeeping, Grocery Shopping and/or Laundry
- Resident Assurance Check-In Program

c. Developments serving the Persons with a Disability Demographic

- (1) Required Resident Programs for all Applicants that select the Persons with a Disability Demographic are outlined in Section Four.
- (2) Applicants that select the Persons with a Disability Demographic must commit to at least one (1) of the following resident programs:
  - 24 Hour Support to Assist Residents In Handling Urgent Issues
  - Employment Services
  - Resident Health Care Coordination Program

## **10. Funding**

a. Corporation Funding

(1) Competitive Housing Credits

(a) Housing Credit Request Amount (annual amount): \$ 570,549

The Maximum Housing Credit Request amounts are provided in Section Four A.10. of the RFA.

- (b) Is the proposed Development the first phase of a multiphase Development?

No

- (c) Basis Boost Qualifications

- (i) Is the proposed Development a subsequent phase of a multiphase Development and eligible for the basis boost?

No

If "Yes", state the Corporation-assigned Application Number for the Development where the first phase was declared: N/A

- (ii) Are any buildings in the proposed Development located in a SADDA?

No

If "Yes", provide the SADDA ZCTA Number(s): N/A

(The Applicant should separate multiple SADDA ZCTA Numbers by a comma.)

- (iii) Is the proposed Development located in a non-metropolitan DDA?

Yes

- (iv) Is the proposed Development located in a QCT?

No

If "Yes", indicate the HUD-designated QCT census tract number: N/A

- (v) Does the proposed Development qualify for the Public Housing Authority Areas of Opportunity basis boost?

No

- (d) The Housing Credit equity proposal must be provided as **Attachment 12**.

- (2) Other Corporation Funding

- (a) If a PLP loan has been awarded for this Development, provide the following information:

Corporation File #	Amount of Funding
<u>N/A</u>	\$ <u>N/A</u>

- (b) If any other Corporation funds will be incorporated as a source of financing for the proposed Development, provide the information in the chart below:

Corporation Program	Corporation File No.	Amount of Funding
SAIL	<u>N/A</u>	\$ <u>N/A</u>
HOME-Rental	<u>N/A</u>	\$ <u>N/A</u>
MMRB	<u>N/A</u>	\$ <u>N/A</u>
EHCL	<u>N/A</u>	\$ <u>N/A</u>

b. Non-Corporation Funding

- (1) If the proposed Development is assisted with funding under the United States Department of Agriculture RD 515 Program and/or the RD 538 Program, indicate the applicable program(s) below and provide the required documentation as **Attachment 14** to Exhibit A.

RD 515       RD 538

(2) Non-Corporation Funding Proposals

Attach all funding proposals executed by the lender(s) or by any other source as **Attachment 15**.

c. Development Cost Pro Forma

To meet the submission requirements, upload the Development Cost Pro Forma as outlined in Section Three of the RFA.

d. Per Unit Construction Funding Preference

Does the proposed Development qualify for the Per Unit Construction Funding Preference?

Yes

e. Principal of the Applicant is a Public Housing Authority and/or an instrumentality of a Public Housing Authority

Is a Principal of the Applicant Entity a Public Housing Authority or an instrumentality of a Public Housing Authority?

No

If the Principal of the Applicant Entity is an instrumentality of a Public Housing Authority, state the name of the Public Housing Authority:

N/A

\*\*\*\*\*

**B. Additional Information**

**1. Verifying Application Fee Payment**

To ensure that the Application Fee is processed for the correct online Application, include the Development Name and RFA number on the check or money order or identify through the ACH or wire transfer. If submitting a check or money order, provide the check or money order number in the space below. If submitting an ACH or wire transfer, provide the confirmation number in the space below.

20201019I1B7033R01370110191244FT03

**2. Bookmarking the Attachments document before uploading (5 points)**

To be awarded 5 points, bookmark the pdf of the All Attachments document before uploading.

**3. Addenda**

Use the space below to provide any additional information or explanatory addendum for items in the Application. Please specify the particular item to which the additional information or explanatory addendum applies.

The application is a scattered site location by definition, however the two parcels are located adjacent to each other.

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- NOTES:
- (1) Developer fee may not exceed the limits established in Rule Chapter 67-48, F.A.C., or this RFA. Any portion of the fee that has been deferred must be included in Total Development Cost.
  - (2) When Housing Credit equity proceeds are being used as a source of financing, complete Columns 1 and 2. The various FHFC Program fees should be estimated and included in column 2 for at least the Housing Credit Program.
  - (3) General Contractor's fee is limited to 14% of actual construction cost (for Application purposes, this is represented by A1.1. Column 3), rounded down to nearest dollar. The General Contractor's fee must be disclosed. The General Contractor's fee includes General Conditions, Overhead, and Profit.
  - (4) For Application purposes, the maximum hard cost contingency allowed cannot exceed 5% of the amount provided in column 3 for A1.3. TOTAL ACTUAL CONSTRUCTION COSTS for Developments where 50 percent or more of the units are new construction. Otherwise the maximum is 15%. The maximum soft cost contingency allowed cannot exceed 5% of the amount provided in column 3 for A2.1 TOTAL GENERAL DEVELOPMENT COST. Limitations on these contingency line items post-Application are provided in Rule Chapter 67-48, F.A.C. (if applicable) and this RFA.
  - (5) Operating Deficit Reserves (ODR) of any kind are not to be included in C. DEVELOPMENT COST and cannot be used in determining the maximum Developer fee. In addition, an ODR is not permitted in this Application at all. If one has been included, it will be removed by the scorer, reducing total costs. However, one may be included during the credit underwriting process where it will be sized. The final cost certification may include an ODR, but it cannot exceed the amount sized during credit underwriting.
  - (6) Although the Corporation acknowledges that the costs listed on the Development Cost Pro Forma, Detail/Explanation Sheet, Construction or Rehab Analysis and Permanent Analysis are subject to change during credit underwriting, such costs are subject to the Total Development Cost Per Unit Limitation as provided in the RFA, as well as the other cost limitations provided in Rule Chapter 67-48, F.A.C., as applicable.

**USE THE DETAIL/EXPLANATION SHEET FOR EXPLANATION OF \* ITEMS. IF ADDITIONAL SPACE IS REQUIRED, ENTER THE INFORMATION ON THE ADDENDA LOCATED AT THE END OF THE APPLICATION.**

What was the Development Category of the Proposed Development:  
Indicate the number of total units in the proposed Development:

Preservation (w/ or w/o Acquisition)  
44 Units

	1 HC ELIGIBLE COSTS	2 HC INELIGIBLE COSTS	3 TOTAL COSTS
<b>DEVELOPMENT COSTS</b>			
<i>Actual Construction Costs</i>			
Accessory Buildings	<u>                  </u>	<u>                  </u>	<u>                  </u>
Demolition	<u>                  </u>	<u>                  </u>	<u>                  </u>
New Rental Units	<u>                  </u>	<u>                  </u>	<u>                  </u>
*Off-Site Work (explain in detail)	<u>                  </u>	<u>                  </u>	<u>                  </u>
Recreational Amenities	<u>                  </u>	<u>                  </u>	<u>                  </u>
Rehab of Existing Common Areas	<u>                  </u>	<u>                  </u>	<u>                  </u>
Rehab of Existing Rental Units	<u>2,640,000.00</u>	<u>                  </u>	<u>2,640,000.00</u>
Site Work	<u>                  </u>	<u>                  </u>	<u>                  </u>
*Other (explain in detail)	<u>                  </u>	<u>                  </u>	<u>                  </u>
<b>A1.1. Actual Construction Cost</b>	<u>\$ 2,640,000.00</u>	<u>\$                  </u>	<u>\$ 2,640,000.00</u>
<b>A1.2. General Contractor Fee</b> <small>See Note (3)</small> (Max. 14% of A1.1., column 3)	<u>\$ 369,600.00</u>	<u>\$                  </u>	<u>\$ 369,600.00</u>
<b>A1.3. TOTAL ACTUAL CONSTRUCTION COSTS</b>	<u>\$ 3,009,600.00</u>	<u>\$                  </u>	<u>\$ 3,009,600.00</u>
<b>A1.4. HARD COST CONTINGENCY</b> <small>See Note (4)</small>	<u>\$ 451,440.00</u>	<u>\$                  </u>	<u>\$ 451,440.00</u>

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	<b>1 HC ELIGIBLE COSTS</b>	<b>2 HC INELIGIBLE COSTS</b>	<b>3 TOTAL COSTS</b>
<i>General Development Costs</i>			
Accounting Fees	25,000.00		<b>25,000.00</b>
Appraisal	12,000.00		<b>12,000.00</b>
Architect's Fee - Site/Building Design	121,500.00		<b>121,500.00</b>
Architect's Fee - Supervision	28,500.00		<b>28,500.00</b>
Builder's Risk Insurance	5,000.00		<b>5,000.00</b>
Building Permit	20,000.00		<b>20,000.00</b>
Capital Needs Assessment	9,700.00		<b>9,700.00</b>
Engineering Fees	15,000.00		<b>15,000.00</b>
Environmental Report	39,800.00		<b>39,800.00</b>
FHFC Administrative Fee <sup>See Note (2)</sup>	52,250.00		<b>52,250.00</b>
FHFC Application Fee <sup>See Note (2)</sup>	3,000.00		<b>3,000.00</b>
FHFC Compliance Fee <sup>See Note (2)</sup>	19,800.00		<b>19,800.00</b>
FHFC PRL/Credit Underwriting Fees <sup>See Note (2)</sup>	14,050.00		<b>14,050.00</b>
Green Building Certification/ HERS Inspection Costs			
*Impact Fees (list in detail)			
Inspection Fees			
Insurance			
Legal Fees	67,131.00		<b>67,131.00</b>
Market Study	11,000.00		<b>11,000.00</b>
Marketing/Advertising			
Property Taxes			
Soil Test Report			
Survey	21,000.00		<b>21,000.00</b>
Tenant Relocation Costs	22,000.00		<b>22,000.00</b>
Title Insurance & Recording Fees	20,369.00		<b>20,369.00</b>
Utility Connection Fee			
*Other (explain in detail)	32,572.00	2,000.00	<b>34,572.00</b>
<b>A2.1. TOTAL GENERAL DEVELOPMENT COST</b>	<b>\$ 450,572.00</b>	<b>\$ 91,100.00</b>	<b>\$ 541,672.00</b>
<b>A2.2. SOFT COST CONTINGENCY</b> <sup>See Note (4)</sup>	<b>\$ 24,470.00</b>	<b>\$ _____</b>	<b>\$ 24,470.00</b>

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	1 HC ELIGIBLE COSTS	2 HC INELIGIBLE COSTS	3 TOTAL COSTS
<i>Financial Costs</i>			
Construction Loan Origination/ Commitment Fee(s)	<u>24,000.00</u>	<u>          </u>	<u>24,000.00</u>
Construction Loan Credit Enhancement Fee(s)	<u>          </u>	<u>          </u>	<u>          </u>
Construction Loan Interest	<u>12,674.00</u>	<u>67,580.00</u>	<u>80,254.00</u>
Non-Permanent Loan(s) Closing Costs	<u>20,000.00</u>	<u>          </u>	<u>20,000.00</u>
Permanent Loan Origination/ Commitment Fee(s)	<u>          </u>	<u>          </u>	<u>          </u>
Permanent Loan Credit Enhancement Fee(s)	<u>          </u>	<u>          </u>	<u>          </u>
Permanent Loan Closing Costs	<u>          </u>	<u>          </u>	<u>          </u>
Bridge Loan Origination/ Commitment Fee(s)	<u>          </u>	<u>          </u>	<u>          </u>
Bridge Loan Interest	<u>          </u>	<u>          </u>	<u>          </u>
*Other (explain in detail)	<u>          </u>	<u>          </u>	<u>          </u>
<b>A3. TOTAL FINANCIAL COSTS</b>	<b>\$ 56,674.00</b>	<b>\$ 67,580.00</b>	<b>\$ 124,254.00</b>
<i>ACQUISITION COST OF EXISTING DEVELOPMENT (excluding land)</i>			
Existing Building(s)	<u>547,396.00</u>	<u>190,959.00</u>	<u>738,355.00</u>
*Other (explain in detail)	<u>          </u>	<u>          </u>	<u>          </u>
<b>B. TOTAL ACQUISITION COSTS OF EXISTING DEVELOPMENT (excluding land)</b>	<b>\$ 547,396.00</b>	<b>\$ 190,959.00</b>	<b>\$ 738,355.00</b>
<b>C. DEVELOPMENT COST</b> (A1.3+A1.4+A2.1+A2.2+A3+B)	<b>\$ 4,540,152.00</b>	<b>\$ 349,639.00</b>	<b>\$ 4,889,791.00</b>
<i>Developer Fee See Note (1)</i>			
Developer Fee on Acquisition Costs	<u>87,583.00</u>	<u>          </u>	<u>87,583.00</u>
Developer Fee on Non-Acquisition Costs	<u>664,229.00</u>	<u>          </u>	<u>664,229.00</u>
<b>D. TOTAL DEVELOPER FEE</b>	<b>\$ 751,812.00</b>	<b>\$       </b>	<b>\$ 751,812.00</b>
<b>E. OPERATING DEFICIT RESERVES See Note (5)</b>	<b>\$       </b>	<b>\$       </b>	<b>\$       </b>
<b>F. TOTAL LAND COST</b>	<b>\$       </b>	<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>
<b>G. TOTAL DEVELOPMENT COST See Note (6)</b> (C+D+E+F)	<b>\$ 5,291,964.00</b>	<b>\$ 449,639.00</b>	<b>\$ 5,741,603.00</b>

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RFA 2020-204 DEVELOPMENT COST PRO FORMA

(Page 4 of 8)

**Detail/Explanation Sheet**

Totals must agree with Pro Forma. Provide component descriptions and amounts for each item that has been completed on the Pro Forma that requires a detailed list or explanation.

**DEVELOPMENT COSTS**

**Actual Construction Cost**

(as listed at Item A1.)

Off-Site Work:

Other:

**General Development Costs**

(as listed at Item A2.)

Impact Fees:

Other:

FF&E, Entity Formation, P&P Bonds, Tenant Protection Account

**Financial Costs**

(as listed at Item A3.)

Other:

**Acquisition Cost of Existing Developments**

(as listed at Item B2.)

Other:

NOTES: Neither brokerage fees nor syndication fees can be included in eligible basis. Consulting fees, if any, and any financial or other guarantees required for the financing must be paid out of the Developer fee. Consulting fees include, but are not limited to, payments for Application consultants, construction management or supervision consultants, or local government consultants.

What is the proposed LIHTC Set-Aside Percentage?

100% Set-Aside

Does the proposed Development qualify for a 30% basis boost?

Yes

The minimum amount of 'rehabilitation expenditures' required by IRC/FHFC during any 24-month period is met if (i) the total 'rehabilitation expenditures' are at least 20 percent of the adjusted basis of the (acquired) building (or \$147,671) and (ii) the qualified basis of the 'rehabilitation expenditures,' when divided by the number of low-income units is \$25,000 or more. Total 'rehabilitation expenditures' are being represented as \$4,656,985, as well as having \$137,593 of qualified basis per low-income unit. (Assumes adjusted basis is the same as eligible basis for Application purposes.)

**RFA 2020-204 DEVELOPMENT COST PRO FORMA**

(Page 5 of 8)

**CONSTRUCTION/REHAB ANALYSIS**

	AMOUNT	LENDER/TYPE OF FUNDS
<b>A. Total Development Costs</b>	<u>\$ 5,741,603.00</u>	
<b>B. Construction Funding Sources:</b>		
1. First Mortgage Financing	\$ <u>2,400,000.00</u>	<u>Regulated Mortgage Lender</u>
2. Second Mortgage Financing	\$ <u>538,355.98</u>	<u>USDA RD 515</u>
3. Third Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
4. Fourth Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
5. Fifth Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
6. Sixth Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
7. Seventh Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
8. Eighth Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
9. Ninth Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
10. Tenth Mortgage Financing	\$ _____	<u>&lt;select from menu&gt;</u>
11. HC Equity Proceeds Paid Prior to Completion of Construction which is Prior to Receipt of Final Certificate of Occupancy or in the case of Rehabilitation, prior to placed-in service date as determined by the Applicant.	\$ <u>2,259,151.00</u>	
12. Other: _____	\$ _____	
13. Other: _____	\$ _____	
14. Deferred Developer Fee	\$ <u>609,588.00</u>	
<b>15. Total Construction Sources</b>	<u>\$ 5,807,094.98</u>	
<b>C. Construction Funding Surplus</b>		
(B.15. Total Construction Sources, less A. Total Development Costs):	<u>\$ 65,491.98</u>	(A negative number here represents a funding shortfall.)

**Each Attachment must be listed behind its own Tab. DO NOT INCLUDE ALL ATTACHMENTS BEHIND ONE TAB.**

**RFA 2020-204 DEVELOPMENT COST PRO FORMA**

(Page 6 of 8)

**PERMANENT ANALYSIS**

	AMOUNT	LENDER/TYPE OF FUNDS
<b>A. Total Development Costs</b>	<b>\$ 5,741,603.00</b>	
<b>B. Permanent Funding Sources:</b>		
1. First Mortgage Financing	\$ 538,355.98	USDA RD 515
2. Second Mortgage Financing	\$ _____	<select from menu>
3. Third Mortgage Financing	\$ _____	<select from menu>
4. Fourth Mortgage Financing	\$ _____	<select from menu>
5. Fifth Mortgage Financing	\$ _____	<select from menu>
6. Sixth Mortgage Financing	\$ _____	<select from menu>
7. Seventh Mortgage Financing	\$ _____	<select from menu>
8. Eighth Mortgage Financing	\$ _____	<select from menu>
9. Ninth Mortgage Financing	\$ _____	<select from menu>
10. Tenth Mortgage Financing	\$ _____	<select from menu>
11. HC Syndication/HC Equity Proceeds	\$ 5,020,337.00	
12. Other: _____	\$ _____	
13. Other: _____	\$ _____	
14. Deferred Developer Fee	\$ 182,910.02	
<b>15. Total Permanent Funding Sources</b>	<b>\$ 5,741,603.00</b>	
<b>C. Permanent Funding Surplus</b>		
(B.15. Total Permanent Funding Sources, less A. Total Development Costs):	<b>\$ 0.00</b>	(A negative number here represents a funding shortfall.)

**Each Attachment must be listed behind its own Tab. DO NOT INCLUDE ALL ATTACHMENTS BEHIND ONE TAB.**

**RFA 2020-204 DEVELOPMENT COST PRO FORMA**

(Page 7 of 8)

The intent of this page is to assist the Applicant in determining a TDC PU Limitation for the proposed Development and comparing it to the appropriate RFA's TDC PU Limitation. The accuracy of the comparison is dependent upon the accuracy of the inputs and Florida Housing takes no responsibility in any programming errors. FHFC will not use this page to score TDC PU Limitation criteria. If FHFC makes any adjustments to the Applicant's data or assumptions, FHFC's TDC PU for Limitation purposes of the proposed Development or the TDC PU Limitation determined by FHFC may be different than the amounts provided below. Please read the RFA for qualifying responses and definition of terms. This table is optional and its use is at the sole discretion of the Applicant. Applicant is responsible to verify and be in compliance with all aspects of the Application to meet RFA criteria.

**TDC PU LIMITATION ANALYSIS***Not in South Florida, Rehab, Garden.*

In which county is the proposed Development to be located? Washington (Small County)

You have indicated above on row 32 that the Development Category of the Proposed Development is..... Preservation (w/ or w/o Acquisition)

What is the proposed Development's Development Type? Garden

Does the proposed Development qualify as Enhanced Structural Systems Construction (ESSC)? N/A (Rehab only)

The TDC PU Base Limitation for the above defined Development is..... \$124,500

Does the proposed Development qualify for any of the following TDC PU Add-Ons or Multipliers? Choose all that apply.

- |  |           |  |
|--|-----------|--|
| 1. (a) PHA is a Principal/Affiliate Add-On.....                  | <u>No</u> | (Select one or no option, as applicable) |
| (b) Requesting HOME funds from FHFC Add-On.....                  | <u></u>   |  |
| (c) Requesting CDBG-DR funds from FHFC Add-On.....               | <u></u>   |  |
| 2. Tax-Exempt Bond Add-On.....                                   | <u></u>   | (Select if applicable)                   |
| 3. (a) North Florida Keys Area Multiplier.....                   | <u>No</u> | (Select one option if applicable)        |
| (b) South Florida Keys Area Multiplier.....                      | <u>No</u> |  |
| 4. (a) Persons with Developmental Disabilities Multiplier.....   | <u></u>   | (Select one or no option, as applicable) |
| (b) Persons with a Disabling Condition Multiplier.....           | <u></u>   |  |
| (c) Persons with Special Needs Multiplier.....                   | <u></u>   |  |
| (d) Homeless Demographic Multiplier.....                         | <u></u>   |  |
| 5. Elderly ALF Multiplier.....                                   | <u>No</u> | (Select if applicable)                   |
| 6. (a) Less than 51 units Multiplier* .....                      | <u></u>   | (Select one option if applicable)        |
| (b) More than 50 units, but less than 81 units Multiplier* ..... | <u></u>   |  |

\*For 9% HC Permanent Supportive Housing RFAs only. The proposed Development must be new construction to qualify as well as not being located in Monroe County.

The final overall TDC PU Limitation for the above defined Development is.. \$124,500.00

**Derivation of the TDC PU of the proposed Development for Limitation purposes:**

Total Development Costs (Line G., column 3)	<u>\$5,741,603.00</u>
Less Acq. Cost of Existing Dev. (excluding land) - Existing Building(s)	<u>\$738,355.00</u>
Less Land Acquisition Costs (Line F., column 3)	<u>\$100,000.00</u>
Less Operating Deficit Reserves (Line E., column 3)	<u>\$0.00</u>
Less Demolition and Relocation Costs, if applicable	<u>\$0.00</u>
TDC of the proposed Development for Limitation Purposes:	<u>\$4,903,248.00</u>
TDC PU of the proposed Development for Limitation Purposes:	<u>\$111,437.45</u>

Is the proposed Development's TDC PU for Limitation purposes equal to or less than the TDC PU Limitation provided in the RFA?..... Yes

[ \$124,500 Base Limit = \$124,500.00 Total ]

**RFA 2020-204 DEVELOPMENT COST PRO FORMA**(Page 8 of 8)

The intent of this page is to assist the Applicant in determining the overall Average Median Income for the proposed Development when the Development is located in Bay or Leon County and the Applicant desires to select the Average Income Test for the minimum set-aside commitment for Section 42 of the IRC. This portion of the Development Cost Pro Forma is to assist the Applicant in understanding some of the variables involved when selecting Average Income test as the minimum housing credit set-aside offered in the RFA. The data entered below will not be used to score the Application. The entries below will not be used to establish the Applicant's set-aside commitment for Application purposes. This is to be used as a tool to assist the Applicant in selecting appropriate set-aside commitments in the Application. The accuracy of the table is dependent upon the accuracy of the inputs and Florida Housing takes no responsibility in any programming errors. This table is optional and its use is at the sole discretion of the Applicant. Applicant is responsible to verify and be in compliance with all aspects of the Application to meet RFA criteria.

**INCOME AVERAGING WORKSHEET**

AMI Set-Aside	# of Units	% of Units
20%		0.00%
(ELI Designation)	30%	0.00%
	40%	0.00%
	50%	0.00%
	60%	0.00%
	70%	0.00%
	80%	0.00%
Total Qualifying Housing Credit Units	0	0.00%
Market Rate Units		0.00%
Total Units	0	0.00%
Average AMI of the Qualifying Housing Credit Units	0.00%	

(This should match the HC Set-Aside Commitment in the Application)

**Principal Disclosures for the Applicant****APPROVED for HOUSING CREDITS****FHFC Advance Review****Received 9.24.20; Approved 9.28.20**

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Liability Company

Provide the name of the Applicant Limited Liability Company:

Hallmark Foxmeadow, LLC**First Principal Disclosure Level:**[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Applicant</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	Manager	Hallmark Foxmeadow MM, LLC	Limited Liability Company
2.	Non-Investor Member	Hallmark Foxmeadow MM, LLC	Limited Liability Company
3.	Investor Member	Hallmark GP Holdings, LLC	Limited Liability Company

**Second Principal Disclosure Level:**Hallmark Foxmeadow, LLC[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First

<u>Level Principal Entity # from above for which the Second Level Principal is being identified</u>	<u>Select the type of Principal</u>	<u>Enter Name of Second Level Principal</u>	<u>Select organizational structure of Second Level Principal identified</u>
1. (Hallmark Foxmeadow MM, LLC)	1.A. Member	Hallmark GP Holdings, LLC	Limited Liability Company
1. (Hallmark Foxmeadow MM, LLC)	1.B. Manager	Martin H. Petersen	Natural Person
1. (Hallmark Foxmeadow MM, LLC)	1.C. Manager	William A. Glisson	Natural Person
1. (Hallmark Foxmeadow MM, LLC)	1.D. Member	Martin H. Petersen	Natural Person
1. (Hallmark Foxmeadow MM, LLC)	1.E. Member	William A. Glisson	Natural Person
2. (Hallmark Foxmeadow MM, LLC)	2.A. Member	Hallmark GP Holdings, LLC	Limited Liability Company
2. (Hallmark Foxmeadow MM, LLC)	2.B. Manager	Martin H. Petersen	Natural Person
2. (Hallmark Foxmeadow MM, LLC)	2.C. Manager	William A. Glisson	Natural Person
2. (Hallmark Foxmeadow MM, LLC)	2.D. Member	Martin H. Petersen	Natural Person
2. (Hallmark Foxmeadow MM, LLC)	2.E. Member	William A. Glisson	Natural Person

**Principal Disclosures for the Applicant****APPROVED for HOUSING CREDITS****FHFC Advance Review****Received 9.24.20; Approved 9.28.20****Third Principal Disclosure Level:**

Hallmark Foxmeadow, LLC

[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)Select the corresponding

Second Level Principal Entity #  
from above for which the Third  
Level Principal is being  
identified

Select the type of Principal  
being associated with the

Third Level    corresponding Second Level

Enter Name of Third Level Principal  
who must be either a Natural Person or a Trust

The organizational structure of  
Third Level Principal identified  
Must be either a Natural Person  
or a Trust

- 1.A. (Hallmark GP Holdings, LLC)
- 2.C. (Hallmark GP Holdings, LLC)

1.A.(1)	Manager	Martin H. Petersen	Natural Person
1.A.(2)	Manager	William A. Glisson	Natural Person
1.A.(3)	Member	Martin H. Petersen	Natural Person
1.A.(4)	Member	William A. Glisson	Natural Person
2.C.(1)	Manager	Martin H. Petersen	Natural Person
2.C.(2)	Manager	William A. Glisson	Natural Person
2.C.(3)	Member	Martin H. Petersen	Natural Person
2.C.(4)	Member	William A. Glisson	Natural Person

**Principal Disclosures for the Developer****APPROVED for HOUSING CREDITS****FHFC Advance Review****Received 9.24.20; Approved 9.28.20**

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Hallmark Development Partners, LLC**First Principal Disclosure Level:**

Hallmark Development Partners, LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

First Level Entity #	Select Type of Principal of Developer	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	Member	Hallmark Development Services, LLC	Limited Liability Company
2.	Member	Thompson Kurrie III, LLC	Limited Liability Company
3.	Manager	Martin H. Petersen	Natural Person

**Second Principal Disclosure Level:**

Hallmark Development Partners, LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified	Select the type of Principal being associated with the corresponding First Level Principal Entity	Enter Name of Second Level Principal	Select organizational structure of Second Level Principal identified
2. (Hallmark Developmet Services,	2.A. Member	The Hallmark Companies, Inc	For-Profit Corporation
2. (Hallmark Developmet Services,	2.B. Manager	Martin H. Petersen	Natural Person
2. (Hallmark Developmet Services,	2.C. Member	William A. Glisson	Natural Person
2. (Thompson Kurrie III, LLC)	2.A. Manager	Thompson Kurrie III	Natural Person
2. (Thompson Kurrie III, LLC)	2.B. Member	Thompson Kurrie III	Natural Person

# Attachment

1

### **Applicant Certification and Acknowledgement Form**

1. The Applicant and all Financial Beneficiaries have read all applicable Corporation rules governing this RFA and have read the instructions for completing this RFA and will abide by the applicable Florida Statutes and the credit underwriting and program provisions outlined in Rule Chapter 67-48, F.A.C. The Applicant and all Financial Beneficiaries have read, understand and will comply with Section 42 of the Internal Revenue Code, as amended, and all related federal regulations.
2. The Applicant has reviewed Section 67-48.004, F.A.C. and subsection 67-48.023(1), F.A.C., and certifies to its eligibility to apply for the funding offered in this RFA.
3. The Applicant certifies that the proposed Development can be completed and operating within the development schedule and budget submitted to the Corporation.
4. The Applicant acknowledges and certifies that it will abide by all commitments, requirements, and due dates outlined in the RFA, inclusive of all exhibits. Failure to provide the required information by any stated deadlines may result in the withdrawal of the invitation to enter credit underwriting, unless an extension is approved by the Corporation.
5. By submitting the Application, the Applicant acknowledges and certifies that the proposed Development will meet all state building codes, including the Florida Accessibility Code for Building Construction, adopted pursuant to Section 553.503, F.S., the Fair Housing Act as implemented by 24 CFR Part 100, including the Affirmative Fair Housing Marketing Plan; Violence Against Women Act Reauthorization Act of 2013; Section 504 of the Rehabilitation Act of 1973 as outlined in Section Four, A.8. of the RFA; and the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, incorporating the most recent amendments, regulations and rules.
6. The Applicant acknowledges that any funding preliminarily secured by the Applicant is expressly conditioned upon any independent review, analysis and verification of all information contained in this Application that may be conducted by the Corporation, the successful completion of credit underwriting, and all necessary approvals by the Board of Directors, Corporation or other legal counsel, the Credit Underwriter, and Corporation staff.
7. If preliminary funding is approved, the Applicant will promptly furnish such other supporting information, documents, and fees as may be requested or required. The Applicant understands and agrees that the Corporation is not responsible for actions taken by the undersigned in reliance on a preliminary commitment by the Corporation. The Applicant commits that no qualified residents will be refused occupancy because they have Section 8 vouchers or certificates. The Applicant further commits to actively seek tenants from public housing waiting lists and tenants who are participating in and/or have successfully completed the training provided by welfare to work or self-sufficiency type programs.
8. The success of an Applicant in being selected for funding is not an indication that the Applicant will receive a positive recommendation from the Credit Underwriter or that the Development Team's experience, past performance or financial capacity is satisfactory. The past performance record, financial capacity, and any and all other matters relating to the Development Team

(which consists of Developer, Management Company, General Contractor, Architect, Attorney, and Accountant) will be reviewed during credit underwriting. The Credit Underwriter may require additional information from any member of the Development Team including, without limitation, documentation on other past projects and financials. Development Teams with an unsatisfactory past performance record, inadequate financial capacity or any other unsatisfactory matters relating to their suitability may result in a negative recommendation from the Credit Underwriter.

9. The Applicant's commitments will be included in an Extended Use Agreement for the Housing Credits and must be maintained in order for the Development to remain in compliance, unless the Board approves a change.
10. The Applicant certifies that there are no agreements, other than the letter of intent provided with this Application or the Limited Partnership Agreement, between the Applicant and the Housing Credit Syndicator/equity provider.
11. The Applicant certifies that the complete Limited Partnership Agreement, including any amendments thereto, will be divulged to the Corporation and the credit underwriter.
12. The Applicant understands and agrees that it will ensure that (i) none of the General Contractor duties to manage and control the construction of the Development are subcontracted; (ii) none of the construction or inspection work that is normally performed by subcontractors is performed by the General Contractor; (iii) no construction cost is subcontracted to any entity that has common ownership or is an Affiliate of the General Contractor or the Developer, as further described in subsection 67-48.0072(17); and (iv) a provision is provided in the contract with General Contractor that it will comply with subsection 67-48.0072(17).
13. The Applicant, the Developer and all Principals are in good standing among all other state agencies and have not been prohibited from applying for funding.
14. In eliciting information from third parties required by and/or included in this Application, the Applicant has provided such parties information that accurately describes the Development as proposed in this Application. The Applicant has reviewed the third party information included in this Application and/or provided during the credit underwriting process and the information provided by any such party is based upon, and accurate with respect to, the Development as proposed in this Application.
15. During the credit underwriting process, demonstrate that the Development meets the requirements of this RFA and Section 42 of the IRC.
16. The invitation to enter credit underwriting will be rescinded if it is determined that the proposed Development was placed in-service prior to the year in which it received its allocation.
17. The Applicant understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), F.S.
18. The Applicant has read, understands, and will comply with the Capital Needs Assessment requirements outlined in Exhibit F.

19. The Applicant has read, understands and will comply with the Lowering Barriers to Entry requirements outlined in Exhibit G.
20. The undersigned is authorized to bind the Applicant entity to this certification and warranty of truthfulness and completeness of the Application.

Under the penalties of perjury, I declare and certify that I have read the foregoing and that the information is true, correct and complete.



---

Signature of Authorized Principal Representative

Martin H. Petersen

---

Name (typed or printed)

---

Manager of the Managing Member

Title (typed or printed)

NOTE: Provide this form as Attachment 1 to the RFA. This form must be signed by the Authorized Principal Representative stated in Exhibit A.

# Attachment

2

# *State of Florida*

## *Department of State*

I certify from the records of this office that HALLMARK FOXMEADOW, LLC is a limited liability company organized under the laws of the State of Florida, filed on September 25, 2020.

The document number of this limited liability company is L20000303533.

I further certify that said limited liability company has paid all fees due this office through December 31, 2020 and that its status is active.

*Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this  
the Sixteenth day of October, 2020*



  
*Lamont D. Keel*  
*Secretary of State*

Tracking Number: 5955305249CU

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

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

# Attachment

3

**Not  
Applicable**

# Attachment

4

# *State of Florida*

## *Department of State*

I certify from the records of this office that HALLMARK DEVELOPMENT PARTNERS, LLC is a Georgia limited liability company authorized to transact business in the State of Florida, qualified on October 5, 2017.

The document number of this limited liability company is M17000008571.

I further certify that said limited liability company has paid all fees due this office through December 31, 2020, that its most recent annual report was filed on February 5, 2020, and that its status is active.

I further certify that said limited liability company has not filed a Certificate of Withdrawal.

*Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this  
the Twenty-ninth day of  
September, 2020*



A handwritten signature of Lamont D. Keel, followed by the title "Secretary of State".

Tracking Number: 7421393959CU

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

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

## Developer Prior Experience Chart

Name of the natural person Principal with the required experience: <b>Martin H Petersen</b>
Name of Developer Entity (for the proposed Development) for which the above individual is a Principal: <b>Hallmark Development Partners, LLC</b>

Name of Development	Location (City and State)	Affordable Housing Program that provided Financing (e.g., Housing Credits, Tax Exempt Bonds, HOME, Sail, Etc.)	Total Number of Units	Year Completed
Baldwin Village Apartments	Baldwin, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	38	2018
Cantebury of Hilliard	Hilliard, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	36	2018
Pine Ridge	Port St. Joe, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	51	2017
Inglewood Meadows	St. Cloud, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	51	2017
Woodland Terrace	St. Cloud, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	51	2017
Water Oak Apartments	Orange City, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	40	2017
Village Chase Apartments	Zephyrhills, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	48	2017
Colony Court	Eustis, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	47	2017
Greenwood Terrace	Quincy, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	37	2017
Jefferson Place	Monticello, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	39	2017
Rosemont Manor	Eustis, FL	USDA RD 515, USDA RD 538, 4% LIHTC Equity and Tax Exempt Bonds	37	2017

# Attachment

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## Prior General Management Experience Chart

Name of Management Company or a Principal of the Management Company with the required experience: **Management Company: Hallmark Management, Inc.-Principal-Martin H Petersen**

Name of Developer Entity (for the proposed Development) for which the above individual is a Principal: **Hallmark Development Partners, LLC**

Name of Development	Location (City and State)	Currently Managing or Formally Managed	Length of Time (# of years)	Total Number of Units
Baldwin Village Apartments	Baldwin, FL	Currently Managing	10 +	<b>38</b>
Cantebury of Hilliard	Hilliard, FL	Currently Managing	10 +	<b>36</b>
Pine Ridge	Port St. Joe, FL	Currently Managing	10 +	<b>51</b>
Inglewood Meadows	St. Cloud, FL	Currently Managing	10 +	<b>51</b>
Woodland Terrace	St. Cloud, FL	Currently Managing	10 +	<b>51</b>
Water Oak Apartments	Orange City, FL	Currently Managing	10 +	<b>40</b>
Village Chase Apartments	Zephyrhills, FL	Currently Managing	10 +	<b>48</b>
Colony Court	Eustis, FL	Currently Managing	10 +	<b>47</b>
Greenwood Terrace	Quincy, FL	Currently Managing	10 +	<b>37</b>
Jefferson Place	Monticello, FL	Currently Managing	10 +	<b>39</b>
Rosemont Manor	Eustis, FL	Currently Managing	10 +	<b>37</b>

# Attachment

6



**Rural Development**      October 1, 2020

*Florida/Virgin Islands*

*Office of the State*

*Director*

*4500 NW 27<sup>th</sup> Ave*

*Suite D-2*

*Gainesville, FL 32606*

*Voice 352.338.3402*

*Fax 352.338.3403*

Mr. Martin H. Petersen

The Hallmark Companies, Inc.

3111 Paces Mill Road

Suite A-250

Atlanta, GA 30339

RE: Foxmeadow Apartments I (Foxmeadow Apartments, Ltd.-USDA Borrower ID-814076615)  
Foxmeadow Apartments II (Foxmeadow Apartments II, Ltd.-USDA Borrower ID-708901105)

Mr. Petersen:

This letter is to provide information required to apply for funding from Florida Housing Finance Corporation for the rehabilitation/preservation of Foxmeadow Apartments I and Foxmeadow Apartments II. It is our understanding that Hallmark Foxmeadow, LLC intends to acquire the developments known as Foxmeadow Apartments I and Foxmeadow Apartments II and rehabilitate the property using the Low Income Housing Tax Credit program administered by Florida Housing Finance Corporation.

This letter is to confirm the following:

<b>Name of the Developments:</b>	Site 1: Foxmeadow Apartments I Site 2: Foxmeadow Apartments II
<b>Address of Developments:</b>	Site 1: 844 Glenwood Avenue Chipley, Florida Site 2: 542 2 <sup>nd</sup> Street Chipley, Florida
<b>Year Built:</b>	Site 1: 1980 (40 years from application date) Site 2: 1986 (34 years from application date)
<b>Total number of units that currently receive PBRA:</b>	Site 1: 23 Site 2: 20 <b>Combined:</b> <b>43</b>
<b>Total number of units that will receive PBRA If the proposed Development is funded:</b>	Site 1: 23 Site 2: 20 <b>Combined:</b> <b>43</b>
<b>RD financing current associated with Development:</b>	USDA Rural Development Section 515 Rural Rental Housing Loan Funds

**USDA Rural Development confirms that the development has not received financing from HUD or USDA RD after 1996 where the rehabilitation budget was at least \$10,000 per unit in any year.**

If you have any questions regarding this matter please contact Katrina Moseley at 352-338-3438 or email at [katrina.moseley@usda.gov](mailto:katrina.moseley@usda.gov).

Sincerely,

*Katrina Moseley*

Katrina Moseley  
Multi-family Housing Program Director  
Florida State Office, Rural Development  
United States Department of Agriculture

# Attachment

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**Not  
Applicable**

# Attachment

8

**FLORIDA HOUSING FINANCE CORPORATION**  
**Site Control Certification Form**

As of the Application Deadline for this RFA, the Applicant entity Hallmark Foxmeadow, LLC

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has control of the Development site and all Scattered Sites, if applicable. Control of the site means that by Application Deadline the Applicant can establish one or more of the following requirements that include the terms set forth in Section Four A.7.a. of the RFA:

- Eligible Contract
- Deed or Certificate of Title
- Lease

To be considered complete, documents demonstrating that site control pursuant to the terms set forth in Section Four A.7.a. of the RFA are attached.

Under the penalties of perjury pursuant to Section 92.525, F.S., and of material misrepresentation pursuant to Section 420.508(35), Fla. Statutes, and Fla. Admin. Code Section 67-21.003(6) and/or 67-48.004(2), I declare and certify that I have read the foregoing and that the information is true, correct and complete.



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Signature of Authorized Principal Representative

Martin H. Petersen

---

Name (typed or printed)

---

Manager of the Managing Member

Title (typed or printed)

This form must be signed by the Authorized Principal Representative stated in Exhibit A.

## **PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into effective **October 19, 2020** (the “Effective Date”), by and between **FOXMEADOW APARTMENTS, LTD.**, a Florida limited partnership (“Seller”), and **HALLMARK FOXMEADOW, LLC**, a Florida limited liability company, its successors and assigns (“Purchaser”).

### RECITALS:

WHEREAS, Seller is the owner of the Property (as defined herein); and

WHEREAS, Seller agrees to sell, and Purchaser agrees to purchase, the Property (as defined herein) upon the terms and conditions herein set forth.

NOW, THEREFORE, the parties agree as follows:

1. **Certain Definitions.** When used in this Agreement, the following terms shall have the respective meanings as set forth opposite each such term:

- (a) **Application:** Shall mean an application to the State Credit Agency for an allocation Tax Credits for financing the development of the Project.
- (b) **Closing:** Shall have the meaning set forth in Section 7 of this Agreement.
- (c) **Closing Date:** Shall have the meaning set forth in Section 7 of this Agreement.
- (d) **Deed:** Shall have the meaning set forth in Section 7(a) of this Agreement.
- (e) **Due Diligence Investigations:** Shall have the meaning set forth in Section 4 of this Agreement.
- (f) **Due Diligence Period:** Shall have the meaning set forth in Section 4 of this Agreement.
- (g) **Earnest Money Deposits:** Shall have the meaning set forth in Section 3(a) of this Agreement.
- (h) **Escrow Agent:** Coleman Talley LLP, 1 Independent Drive, Suite 3130, Jacksonville, FL 32202, Attn: Gregory Q. Clark.
- (i) **Improvements:** All buildings, fixtures, structures, parking areas, landscaping and other improvements located in or on the Land as of the Effective Date, including all replacements or additions thereto between the Effective Date and the Closing Date.
- (j) **Land:** The land used for the Project and further described on Exhibit A attached hereto and made a part hereof, together with any and all right, title and interest of Seller in and to any land lying in the bed of any street, road, alley or avenue, open or proposed, in front of or

adjoining such land, as well as any riparian or water rights, any mineral rights, air rights, all rights of way or use, servitudes, licenses, easements, tenements, hereditaments and appurtenances now or hereafter belonging to or benefiting such land.

(k) **Laws:** All laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, directions, and requirements of all governmental authorities having jurisdiction over the Property or the use or operation thereof.

(l) **Permitted Exceptions:** (i) General real estate taxes and special assessments related to the period after the Closing Date which are a lien but are not yet due and payable at the Closing Date; (ii) easements, covenants, conditions, reservations and restrictions of record as disclosed in the Title Commitment, unless objected to by Purchaser prior to Closing; and (iii) any matters disclosed by the Survey, unless objected to by Purchaser prior to Closing.

(m) **Permitted Termination.** Shall have the meaning set forth in Section 6 of this Agreement.

(n) **Planned Use:** The development and construction of the Property as set forth in the Application.

(o) **Project:** Shall mean that certain multi-family development as set forth in the Application and to be constructed in accordance with the Purchaser's plans and specifications on the Land, together with all related utilities, roads and other off-site improvements, if any, along with the Land.

(p) **Property:** Collectively, the Land and the Improvements.

(q) **Property Agreements:** All service contracts, equipment leases and any lease with respect to the Property to which Seller or Seller's agent is a party.

(r) **Purchase Price:** Shall have the meaning set forth in Section 3 of this Agreement.

(s) **State Credit Agency:** Shall mean the Florida Housing Finance Corporation.

(a) **Survey:** A survey of the Land prepared by a surveyor duly licensed in the jurisdiction in which the Land is located and certified to Purchaser and the Title Company as (i) having been prepared in accordance with ALTA/NSPS Minimum Standard Detail Requirements (2016) and (ii) otherwise meeting the requirements of Purchaser, its lender(s) and investor(s).

(b) **Title Commitment:** A commitment for an ALTA Title Insurance Policy for the Property issued by the Title Company in an amount satisfactory to Purchaser.

(c) **Title Company:** The title insurance agency/company selected by Purchaser.

(d) **Title Policy:** Shall have the meaning set forth in Section 7 of this Agreement.

2. **Agreement to Purchase and Sell.** Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell and convey to Purchaser at the Closing, and Purchaser

agrees to purchase and take from Seller at the Closing, all of Seller's right, title, estate and interest in and to the Property.

3. **Consideration and Payment**. In exchange for fee simple title to the Property, Purchaser agrees to pay to Seller the sum of **\$269,132.00** (the "Purchase Price"), payable as follows. The Purchase Price **includes** the assumption by Purchaser of the indebtedness (including the unpaid principle balance and all accrued and unpaid interest as of Closing) owing by Seller to the United States Department of Agriculture acting through Rural Development (formerly Farmers Home Administration). The assumption of the assumed existing debt is subject to the approval of the USDA.

(a) **Earnest Money**: Purchaser shall deliver to the Escrow Agent, an earnest money deposit, within Ten (10) business days after the Effective Date of this Agreement, the sum of ONE HUNDRED AND NO HUNDREDTHS DOLLARS (\$100.00) (the "Earnest Money Deposits")

(i) **Independent Consideration**: For the right to terminate this Agreement, as outlined herein, ONE HUNDRED DOLLARS (\$100.00) of the Earnest Money Deposits shall be non-refundable to Purchaser, but applied to the Purchase Price as set forth herein.

(b) **Entitlement to Earnest Money Deposits**. Subject to the Disbursement of Earnest Money paragraph below:

(i) Notwithstanding anything in this Agreement to the contrary, the full amount of the Earnest Money Deposits shall be immediately refundable to Purchaser upon the request by Purchaser to the Escrow Agent: (A) any time prior to the expiration of the Due Diligence Period; (B) in the event that Purchaser does not submit an Application; (C) in the event of any Permitted Termination (as defined in Section 6(a)); (D) in the event that all of the Closing Conditions have not been met or waived in writing by Purchaser prior to the Closing Date; (E) in the event of any breach of this Agreement by Seller; or (F) as may otherwise be specifically set forth in this Agreement. In the event of any of the foregoing, all Earnest Money Deposits and any other monies held in escrow by Escrow Agent shall be refunded to Purchaser upon demand.

(ii) Seller shall be entitled to the Earnest Money Deposits, provided the Closing Conditions have been satisfied or expressly waived in writing: (A) at Closing, which shall be credited against the Purchase Price, or (B) if the event of a default by Purchaser which results in its failure to purchase the Property.

(c) **Disbursement of Earnest Money**. Escrow Agent shall disburse the Earnest Money Deposits upon: i) Closing; ii) a subsequent written agreement of Purchaser and Seller; iii) an order of a court having jurisdiction over any dispute involving the Earnest Money Deposits; or iv) the receipt of written notice from Purchaser that one of the conditions set forth in Section 3(b)(i) have occurred. In addition, Escrow Agent may disburse the Earnest Money Deposits upon a reasonable interpretation of the Agreement, provided that Escrow Agent first gives all parties fifteen (15) days notice stating to whom and why the disbursement will be made. Any party may object to the proposed disbursement by giving written notice of the same to Escrow Agent within the fifteen (15) day notice period. Objections not timely made in writing shall be deemed waived. If Escrow Agent receives an objection and, after considering it, decides to disburse the Earnest

Money Deposits as originally proposed, Escrow Agent may do so and send notice to the parties of Escrow Agent's action. If Escrow Agent decides to modify its proposed disbursement, Escrow Agent shall first send a new fifteen (15) day notice to the parties stating the rationale for the modification and to whom the disbursement will now be made.

(d) **Interpleader.** If there is a dispute over the Earnest Money Deposits which the parties cannot resolve after a reasonable period of time, and where Escrow Agent has a bona fide question as to who is entitled to the Earnest Money Deposits, Escrow Agent shall be entitled to, but not obligated to interplead the Earnest Money into a court of competent jurisdiction in Fulton County, Georgia. Escrow Agent shall be reimbursed for and may deduct from any funds interpled, its costs and expenses, including reasonable attorney's fees actually incurred. The prevailing defendant in the interpleader lawsuit shall be entitled to collect its attorney's fees and court costs and the amount deducted by Escrow Agent from the non-prevailing defendant.

(e) **Hold Harmless.** All parties hereby agree to indemnify and hold Escrow Agent harmless from and against all claims, causes of action, suits and damages arising out of or related to the performance by Escrow Agent of its duties hereunder, except to the extent any such claims, causes of action, suits and damages arise from or are incurred as the result of the gross negligence or willful default of Escrow Agent. All parties further covenant and agree not to sue Escrow Agent for damages relating to any decision of Escrow Agent to disburse Earnest Money Deposits made in accordance with the requirements of this Agreement.

(f) **Balance of Purchase Price.** The balance of the Purchase Price, less the Earnest Money Deposits, subject to the prorations and adjustments specifically provided for in this Agreement, less the assumed debt, shall be paid by the Purchaser at Closing in immediately available certified funds. The Purchase Price shall be paid to Seller at Closing by wire transfer of cleared federal funds.

#### 4. **Due Diligence.**

(a) **Due Diligence Period.** For a period beginning on the Effective Date and ending on the date of Closing (the "Due Diligence Period"), Purchaser shall have the right to enter upon the Property for the purpose of inspecting the condition of the Property as well as the use and operation thereof and conducting its due diligence investigation to determine the suitability of the Property for Purchaser's intended uses thereof ("Due Diligence Investigations").

(i) The right to conduct Due Diligence Investigations includes, but is not limited to, the right to review any matters disclosed in the Title Commitment and Survey, the right of Purchaser and Purchaser's agents and representatives to enter upon any portion of the Property to take measurements, make non-destructive inspections, make boundary and topographical survey maps, perform appraisals, conduct non-destructive geotechnical, environmental, groundwater, wetland and other studies required by Purchaser in its sole discretion, to determine the adequacy of utilities serving the Property, zoning matters and compliance with Laws.

(ii) Purchaser hereby agrees to protect, defend, indemnify and hold Seller harmless from and against any physical damage to property or injury to persons caused by Purchaser as a result of Purchaser's Due Diligence Investigations.

(iii) Within ten (10) calendar days after the Effective Date, Seller shall deliver to Purchaser the following items (each to the extent available or reasonably obtainable by Seller):

- (A) Any and all surveys, plats, site plans, topographical maps and/or engineering reports, maps and/or studies related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (B) Any and all information regarding the zoning of the Property;
- (C) Any and all environmental, geotechnical, soil boring, land study, wetland and/or flood plain reports, maps and/or studies related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (D) Any and all market information, feasibility, demand, capture rate, traffic, economic, income and/or special reports and/or studies related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (E) Any and all utility information (including without limitation providers and average monthly unit costs) related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (F) A copy of the Seller's vesting deed for the Property; and
- (G) Any and all title insurance policies and title exception documents for the Property and/or its parent parcel.
- (H) A current rent roll (the "Rent Roll"), complete with tenant names, apartment numbers, types of units, lease commencement and termination dates, monthly rent for each unit, rent collected in addition to any concessions for each; Seller agrees to provide a rent roll for December 2014 through May 2015 for Purchaser's tax credit application.
- (I) A copy of a typical tenant application lease form in addition to any documentation setting forth any tenant rules and regulations for the Property.
- (J) Copies of any and all contracts (which are known by the Seller) currently in effect relative to the Property, including, but not limited to, any service and regulatory agreements that may exist for the Property.
- (K) Monthly operating statements for the last twelve (12) months.
- (L) A 2014 draft financial statement and financial statements for the previous three (3) years.
- (M) Copies of real estate tax bills to the extent in our possession for the previous two (2) years, the current real estate tax bill to the extent in Seller's possession, and any information within Seller's possession or under its control relating to any pending, or contemplated appeals relating to the Property.

(N) Copies of all utility bills paid by the owner relating to the Property for the previous twelve (12) months.

(b) **Application.**

(i) Seller agrees to fully cooperate with Purchaser, in all reasonable respects relating to Purchaser's Application, including, but not be limited to, signing any applications for approvals and/or permits, answering questionnaires, or other actions; provided, Seller shall not assume any financial responsibility therefor, and Purchaser shall indemnify Seller against any commitments made in the approval process.

(c) **Title.** Purchaser shall have the right to obtain a Title Commitment covering the Property along with legible and complete copies of all documents listed as exceptions therein. Purchaser shall also have the right to cause the Survey to be prepared, at Purchaser's expense, and Seller shall grant to Purchaser and its agents access to the Property to perform the Survey. Purchaser shall have until the Closing to review the Title Commitment and the Survey and to give written notice to Seller of such objections as Purchaser may have to any matters set forth in Title Commitment or Survey. If Purchaser delivers such written notice to Seller, then for a period of Ten (10) business days after receiving the written notice of objection from Purchaser, Seller shall have the right to have such matters cured at Seller's expense, either by (i) the removal of such exceptions, (ii) the procurement of title insurance endorsements, or (iii) other resolution reasonably satisfactory to Purchaser providing coverage against loss or damage as a result of such exceptions. If Seller does not, or is unwilling to, cure the matters set forth in Purchaser's objection letter to Purchaser's satisfaction within such Ten (10) business day period, Purchaser may elect, in its sole discretion (to be exercised by written notice from Purchaser to Seller), to terminate this Agreement, in which event neither party shall thereafter have any further rights, duties, liabilities or obligations under this Agreement except as expressly set forth herein and the Earnest Money Deposits shall be returned to Purchaser.

(d) **Right to Terminate.** By written notice to Seller on or before the expiration of the Due Diligence Period, Purchaser may elect not to proceed with the purchase of the Property. Purchaser may make such election in its sole discretion for any reason. If Purchaser elects not to proceed with the purchase of the Property, then the Earnest Money Deposits shall be returned to Purchaser, and no party shall have any further rights, duties, liabilities or obligations under this Agreement except as specifically set forth herein.

5. **Representations and Warranties.**

(a) **Seller.** Seller represents, warrants and covenants to Purchaser and the Title Company, as of the Effective Date (with such representations and warranties to be re-made as of Closing) that:

(i) Seller has the right, power and authority to enter into this Agreement and to sell the Property in accordance with the terms hereof, and Seller has granted no option to any other person or entity to purchase the Property. The undersigned person executing this Agreement, whether individually or on behalf of an entity, is duly authorized to do so. This Agreement and the

consummation of the transaction hereunder have been duly and validly authorized by all necessary partnership, corporate or limited liability action by, or on behalf of, Seller.

(ii) To the best of Seller's knowledge, the Property complies with, conforms to and obeys all Laws existing on the date of Closing of all governmental authorities or agencies having jurisdiction over the Property, and any requirement contained in any hazard insurance policy covering the Property or board of fire underwriters or other body exercising similar functions which are applicable to the Property or to any part thereof or which are applicable to the use or manner of use, occupancy, possession or operation of the Property. To the best of Seller's actual knowledge, but without additional inquiry, neither the Property nor any portion thereof violates any zoning, building, fire, health, pollution, subdivision, environmental protection or waste disposal ordinance, code, law or regulation or any requirement contained in any hazard insurance policy covering the Property; and Seller shall give prompt notice to Purchaser of any such violation which shall be received by Seller prior to Closing.

(iii) Seller has not received notice of and has no knowledge of any suits, judgments, or violations relating to or at the Property of any zoning, building, fire, health, pollution, environmental protection, or waste disposal ordinance, code, law or regulation which has not been heretofore corrected; that there is no suit or judgment presently pending or, to the best knowledge and belief of Seller, threatened which would create a lien upon the Property in the hands of Purchaser after Closing; and Seller shall give prompt notice to Purchaser of any such suit or judgment filed, entered or threatened prior to Closing.

(iv) There are no known pending, threatened or contemplated eminent domain proceedings affecting the Property or any part thereof; and Seller shall give prompt notice to Purchaser of any such proceedings which occur or are threatened prior to Closing.

(v) Seller has not received notice of and has no actual knowledge of pending or contemplated changes in the present status of zoning of the Property, and Seller shall give prompt notice to Purchaser of any such proposed changes of which Seller is aware prior to the Closing.

(vi) The Seller is not involved in any bankruptcy, reorganization or insolvency proceeding.

(vii) All taxes, assessments, water charges and sewer charges affecting the Property or any part thereof due and payable at the time of the Closing shall have been, or will be at Closing, paid in full. All current special assessments which are or will become a lien known to the Seller at the time of Closing on the Property shall also shall have been paid and discharged at Closing (in prorate shares between Seller and Purchaser), whether or not payable in installments.

(viii) There are no leases affecting the Property, no parties in possession of the Property nor any parties entitled to possession thereof.

(ix) All service contracts, if any, (except those specifically approved by Purchaser which shall be assigned to Purchaser at Closing) shall be terminated and paid in full as of the Closing Date.

(x) The Property is or will be at Closing, subdivided as an independent and conveyable parcel in accordance with all applicable rules, regulations, zoning and ordinances.

(xi) The Property has or will have prior to Closing, a unique tax parcel number separate from other property owned by Seller.

(xii) The Property has or will have prior to Closing vehicular and pedestrian access to a public right-of-way.

(xiii) Hazardous Materials. To the best of Seller's knowledge: (i) the Property has not in the past been used and is not presently being used for the handling, storage, manufacturing, refining, transportation or disposal of "toxic material", "hazardous substances" or "hazardous waste"; (ii) there has not been and is not presently leaching or drainage of waste materials or hazardous substances into the groundwater beneath or adjacent to the Property; (iii) no buried, semiburied or otherwise placed tanks, storage vessels, drums, or containers of any kind located on the Property used for the storage of hazardous waste, hazardous substances or toxic material; (iv) there no asbestos containing materials located on the Property; (v) no construction material used in any improvements located at the Property contains any substance or material presently known to be a hazardous substance or toxic material; (vi) Seller has not disposed upon the Property any hazardous substances on or below the surface of the Property or within two thousand (2,000) feet of the boundary thereof including, without limitation, contamination of the soil, subsoil or groundwater; and (vii) the Property is not in violation of any law, rule or regulation of any government entity having jurisdiction thereof or which exposes Purchaser to liability to third parties. The terms "hazardous waste", "hazardous substances" and toxic material" include, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sect. 960 et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Sect. 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sect 9601 et seq.), the regulations adopted and publications promulgated pursuant to the foregoing and any other federal, state or local environmental law, ordinance, rule or regulation. Furthermore, Seller has not received a summons, citation, directive, letter or other communication, written or oral, from any governmental authority as to any of the above environmental concerns.

(A) Without limiting the other provisions of this Agreement, Seller shall cooperate, at no cost to Seller, with Purchaser's investigation of matters relating to the foregoing provisions of this Section and provide access to and copies of all data and/or documents in Seller's or Seller's agent's possession dealing with potentially hazardous materials used at the Property and any disposal practices followed. Seller agrees that Purchaser may make inquiries of governmental agencies regarding such matters, without liability to Purchaser for the outcome of such discussions.

(xiv) Seller has provided Purchaser true and complete copies of all surveys, appraisals, engineering reports and other related documentation available to Seller and all amounts due for the services performed for the same have been paid in full.

(xv) While this Agreement is in effect, Seller shall not solicit, accept or negotiate other offers with respect to the Property or execute any deeds, easements, rights-of-way affecting the Property or subject the Property to any additional covenant, easement, restriction or encumbrance.

(xvi) Nondisclosure of Information. In consideration of, and as a material inducement to, Purchaser entering into this Agreement, Seller agrees not to disclose or permit disclosure of this Agreement, the parties involved in the Project, or any Information to third parties or to employees of Seller other than attorneys, consultants and agents who are required to have the information in order to carry out the discussions regarding this Agreement and have entered into similar confidentiality agreements. The Seller agrees that it shall take all necessary measures to protect the secrecy of and avoid disclosure or use of Information of Purchaser in order to prevent such Information from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such information. The provisions of this Section shall survive the Closings or any expiration or termination of this Agreement. "Information" includes, without limitation, plans, specifications, drawings, designs, financial information, reports, contracts, emails, names of parties involved, and all record-bearing media (electronic or otherwise) containing or disclosing such information.

(b) **Purchaser.** Purchaser represents and warrants to Seller as of the Effective Date (which such representations and warranties to be re-made as of Closing) that:

(i) Purchaser has the capacity and authority to execute this Agreement and perform the obligations of Purchaser under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Purchaser has been taken and such action has not been rescinded or modified.

(ii) Purchaser is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would limit or restrict Purchaser's right to enter into and carry out this Agreement. Purchaser is duly organized and validly existing in good standing under the laws of the **STATE OF FLORIDA**, and has the legal right, power and authority to enter into this Agreement and to perform its obligation hereunder, and this Agreement constitutes the legal, valid and binding obligations of Purchaser, enforceable in accordance with its terms.

(iii) Neither the execution of this Agreement nor the consummation of the transactions contemplated herein will constitute a breach under any contract or agreement to which Purchaser is a party or by which Purchaser is bound or affected.

(c) **Continued Accuracy of Representations and Warranties.** The matters set forth in Section 5(a) constitute representations and warranties by Seller which are now, and shall at the Closing, be true and correct. The continued accuracy in all material respects of such representations and warranties is a condition precedent to Purchaser's obligation to close. If, during the period between the Effective Date and the Closing Date, Seller learns of, or has a reason to believe that any of its representations and warranties may cease to be true in any adverse respect, Seller shall give prompt written notice to Purchaser (the "Seller Notice"). In the event that (i) Seller delivers the Seller Notice, or (ii) Purchaser otherwise becomes aware that any such representation or warranty has ceased to be true in any adverse respect prior to Closing, Purchaser shall have the

right, in its sole discretion, to terminate this Agreement, in which event the Earnest Money Deposit shall be returned to Purchaser, and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specially set forth herein. Purchaser shall exercise the foregoing election by written notice to Seller on or before the Closing Date. Seller's representations and warranties shall survive the Closing, and Purchaser shall not be deemed to have waived any such representation or warranty unless Purchaser executes an express, written waiver.

## 6. Conditions to Closing.

(a) Notwithstanding anything to the contrary, all of Purchaser's obligations under this Agreement, including without limitation to acquire the Property and pay the Purchase Price, are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, or the express written waiver thereof by Purchaser (the "Closing Conditions").

(i) Seller shall have performed in all material respects its obligations contained in this Agreement required to be performed on or prior to the Closing Date.

(ii) The Title Company is obligated to and will in fact issue to Purchaser and its lender(s) the Title Policy in accordance with the provisions of Section 7 hereof.

(iii) The receipt of the award or allocation of Tax Credits as set forth in the Application.

(iv) Each and every representation and warranty made by Seller in this Agreement shall be true and correct in every material respect.

(v) The Property is zoned as required for the Purchaser's desired use of the Property.

(vi) Purchaser's receipt of an acceptable appraisal, in Purchaser's sole and absolute discretion, of the Property in an amount equal to or greater than the Purchase Price.

(vii) Seller and/or Purchaser having received all necessary permitting and other approvals for Purchaser's desired use of the Property. Seller and Purchaser will fully cooperate to obtain all necessary permitting and other approvals.

(viii) The receipt and closing of all other financing sufficient for Purchaser's desired development and use of the Property.

(ix) All utilities (including, without limitation, water, sewer, electricity, service) being available for use by at the boundary of the Property as of the Closing Date.

(x) If applicable, Seller's cure of the matters set forth in Purchaser's title objection letter to Purchaser's satisfaction.

Seller shall fully cooperate with Purchaser in accomplishing the foregoing. If any condition specified in this Section 6(a) is not timely satisfied or waived in writing by Purchaser,

Purchaser shall have the right to terminate this Agreement (a “Permitted Termination”), in which event, the Earnest Money Deposits shall be returned to Purchaser and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth in Section 11 of this Agreement. Notwithstanding anything to the contrary, the Closing Conditions are each an express condition precedent to Purchaser’s obligations hereunder. In no event shall Purchaser be in default under this Agreement unless and until all of the Closing Conditions have been met.

(b) Seller’s obligation under this Agreement to sell the Property is subject to the fulfillment at or prior to the Closing Date of each of the following conditions (or the express, written waiver thereof by Seller):

(i) Purchaser shall have performed in all material respects its obligations contained in this Agreement required to be performed on or prior to the Closing Date.

(ii) Each and every representation and warranty made by Purchaser in this Agreement shall be true and correct in every material respect.

If any condition specified in this Section 6(b) is not timely satisfied or waived by Seller, Seller shall have the right to terminate this Agreement, in which event, the Earnest Money Deposit shall be paid to Seller and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth in Section 11 of this Agreement.

7. **Closing.** If all Closing Conditions are satisfied or expressly waived in writing, the closing of the transactions described in this Agreement (the “Closing”) shall be held on or before **DECEMBER 31, 2022**, at the offices of Purchaser’s attorney in Atlanta, Georgia (or by mail), by giving Seller at least Five (5) business days’ prior written notice of the time and date thereof, or, if no such notice is given, at 2:00 p.m. on such date (the “Closing Date”). If the Closing does not occur by said date, then the Closing Date may be extended for an additional **SIXTY (60)** calendar days. Except as set forth herein. If all Closing Conditions are satisfied or expressly waived in writing and the Closing does not occur by said date unless otherwise extended by the parties, neither party shall thereafter have any further rights, duties, liabilities or obligations under this Agreement except as expressly set forth herein and the Earnest Money Deposit shall be released to Seller. If all Closing Conditions have not been satisfied or expressly waived in writing by the Closing Date (as extended by agreement), then full amount of Earnest Money Deposits shall be refundable to Purchaser on demand to Escrow Agent at any time after the Closing Date.

(a) **Conveyance.** At Closing, Seller shall deposit in escrow a good and sufficient general warranty deed in form acceptable to Purchaser, its counsel and the Title Company, conveying to Purchaser all of Seller’s rights and interest in and to the Property, free and clear of all encumbrances, except for the Permitted Exceptions, duly executed by Seller (the “Deed”). Seller shall also execute and deliver the other documents and instruments described in Section 7(e) to convey its other rights, title, and interests in the Property.

(b) **Title Policy.** On the Closing Date, the Title Company shall furnish Purchaser with an ALTA Title Policy issued by the Title Company in the amount of the Purchase Price in its customary form, with all standard exceptions removed (“Title Policy”), which shall insure title to

the Property to be good in Purchaser subject only to the Permitted Exceptions. Seller shall obtain, execute and/or deliver such documents and instruments as necessary to satisfy requirements of the Title Company, to delete or remove exceptions, conditions or stipulations to the Title Policy, including but not limited to owner's affidavits, resolutions, releases, and opinions of counsel.

(c) **Prorations.** Property, ad valorem, and any similar taxes and assessments and rents shall be prorated as of the Closing Date. Purchaser and Seller agree to re-prorate taxes and assessments after the Closing upon the receipt of the actual tax bill(s). This provision shall survive the Closing of the transaction contemplated by this Agreement. Any prorations to which Purchaser may be entitled by reason of the foregoing shall be credited against the balance of the Purchase Price to be paid at Closing.

(d) **Charges.**

(i) Seller shall be charged the following amounts at Closing: (a) transfer tax payable upon the recording of the Deed and (b) any monetary encumbrances on the Property and recording costs for any associated releases.

(ii) Purchaser shall be charged the following amounts at Closing: (a) the cost of the Owner's Title Policy; (b) all preparation and recording costs for the Deed; and (c) the cost of the Survey.

(iii) Each party shall pay its own attorneys' fees, except as otherwise specifically set forth herein.

(iv) If the Property is or was being taxed under an abatement or exemption that will or does result in the assessment of "rollback" taxes at or after Closing, Seller, at Seller's sole expense, shall be responsible for paying the amount of such rollback taxes whenever the same shall be assessed. This covenant shall survive Closing. Seller shall protect, indemnify, hold harmless and defend the Purchaser against any and all liabilities, claims, demands, damages, costs and expenses, including, without limitation, attorneys' fees, costs and expenses, in connection with claims for any such other commissions, finders' fees, brokerage fees or other similar compensation that may be asserted by any person with respect to this transaction. This indemnification shall extend to any and all claims, liabilities, costs and expenses (including attorneys' fees and litigation costs) arising as a result of such claims and shall survive the Closing and the recording of the Deed.

(e) **Deliveries.**

(i) Seller shall deliver the following to Purchaser (duly executed where applicable) through escrow at or prior to the Closing, each of which shall be in form and substance acceptable to Purchaser in its judgment reasonably exercised:

(A) The Deed.

(B) A quitclaim deed from Seller in recordable form conveying to Purchaser title to the Survey description of the Property.

(C) Assignment and Assumption of Leases, Rents and Security Deposits.

(D) Bill of Sale.

(E) Assignment and Assumption of all contracts of Seller acceptable to Purchaser incident the operation of the Property.

(F) Such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required to give effect to the terms and intent of this Agreement.

(G) An affidavit in form and substance reasonably satisfactory to the Title Company for the purpose of permitting the Title Company to delete the standard exceptions from the Title Policy and such other documents reasonably required by the Title Company in connection with the issuance of the Title Policy.

(H) A FIRPTA Affidavit (Certificate of Nonforeign Status) acceptable to the Title Company.

(I) A closing statement identifying the prorations required hereunder and a proration agreement if requested by Purchaser.

(J) A "drop down" certificate, updating the truth and accuracy of Seller's representations and warranties contained herein and indicating any changes which may be required to make those representations and warranties remain true and accurate; provided, however, that if any changes are indicated, then Purchaser shall have the rights as set forth in Section 5(c) above.

(K) Incumbency certificate executed by a duly authorized officer/member/partner of Seller, including the following:

- (i) Address and EIN of Seller.
- (ii) Name of the Officer(s) that will be signing all of the closing documents.
- (iii) Whether the Seller will affix its corporate seal or have the documents attested by a second Officer.
- (iv) Current Articles of Incorporation/Organization or Certificate of Limited Partnership, together with any amendments;
- (v) Current Bylaws/Operating Agreement/Partnership Agreement, together with any amendments;
- (vi) Certificate of Good Standing dated within 30 days of closing;
- (vii) Resolutions adopted by Seller governing body authorizing the execution and delivery of this Agreement by Seller, the performance by Seller of its obligations hereunder and the consummation of the transactions contemplated hereby.

(L) Transfer and assignments of all existing service contracts and leases, including in security deposits, affecting the Property.

(M) All existing tenant leases affecting the Property and all records and files (or certified copies thereof) relating to the operation and maintenance of the Property in Seller's possession; Seller will use best efforts to deliver a certified copy of any lease affecting the Property the original of which Seller does not have in its possession as of Closing.

(N) A certified rent roll dated within three (3) days prior to the Closing.

(O) An assignment, transfer and assumption of any and all service contracts, maintenance agreements, or other agreements or documents affecting the Property.

(P) An assignment, transfer and assumption of all tenant leases affecting the Real Property, which assignment shall contain an indemnity in favor of Purchaser against all claims arising under such tenant leases prior to Closing and an indemnity in favor of Seller against all claims arising under said tenant leases following Closing.

(Q) An assignment of any and all guaranties or warranties relating to the Personal Property.

(R) An indemnity agreement providing for indemnification of Purchaser by Seller against all operating expenses or other liabilities of the Property allocable to any period prior to Closing;

(ii) Purchaser shall deliver the following to Seller (duly executed where applicable) through escrow at or prior to Closing:

(A) The Purchase Price in available funds.

(B) Resolutions adopted by Purchaser authorizing the execution and delivery of this Agreement by Purchaser, the performance by Purchaser of its obligations hereunder and the consummation of the transactions contemplated hereby.

(C) Such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required to give effect to the terms and intent of this Agreement.

8. **Damage or Condemnation; Risk of Loss.** Seller hereby represents and warrants that at Closing the Property will be in at least as good a condition as it is upon execution of this Agreement, normal wear and tear excepted, and that Seller shall neither do or allow, directly or indirectly, or cause anything to be done, to affect the condition or use of the Property except as may be otherwise expressly provided for herein. In the event of any substantial damage to the Property prior to Closing (except as caused by Purchaser), or in the event of the initiation of eminent domain or condemnation proceeding relating to the Property prior to closing, Purchaser

may, at its option, terminate this Agreement in writing within five (5) days of receipt of notice of any damage or initiation of eminent domain proceedings. In the event this Agreement is not terminated pursuant to this Paragraph 8, Purchaser shall consummate this transaction on the Closing Date without reduction in Purchase Price, and Purchaser shall be entitled to participate in any such condemnation or eminent domain proceedings and to receive all of the proceeds from the condemning authority attributable to any portion of the Property to be conveyed to Purchaser.

9. **Notices.** Any notice required or permitted to be given hereunder by the parties shall be delivered personally or served by certified or registered mail or by a nationally recognized overnight carrier or by e-mail to the parties at the mailing addresses and email address set forth below, unless different addresses or email addresses are given by one party to the other:

As to Seller:

Foxmeadow Apartments, Ltd.  
Attn: Martin H. Petersen  
3111 Paces Mill Rd.  
Atlanta, GA 30339

As to Purchaser:

Hallmark Foxmeadow, LLC  
Attn: Martin H. Petersen  
3111 Paces Mill Rd.  
Atlanta, GA 30339

With Copy to:

Coleman Talley LLP  
Attn: Gregory Q. Clark  
1 Independent Drive, Suite 3130  
Jacksonville, FL 32202

As provided in this Section, any notice shall, for all purposes, be deemed given and received: (a) if given by email, when the email is transmitted to the party's email address specified above and such email is further mailed to such party's mailing address by that transmitting party; (b) if hand delivered to a party, upon delivery to the party specified above; (c) if given by a nationally recognized and reputable overnight delivery service, the day on which delivery is made or attempted by such delivery service; or (d) if given by certified mail, return receipt requested, postage prepaid, upon delivery to the party specified above. Unless directed otherwise by prior written notice, counsel for Purchaser and Seller may send written notices required or permitted by this Agreement directly to the other party so long as they simultaneously provide such party's counsel with a copy of any such direct communication, such communications being expressly permitted by Purchaser, Seller and their respective counsel.

10. **Remedies.**

(a) In the event that Purchaser defaults in its obligation to proceed to the Closing of the transaction contemplated by this Agreement, Seller shall be entitled to terminate this Agreement and receive the Earnest Money Deposit as liquidated damages, in lieu of all other remedies available to Seller at law or in equity for such default. Seller and Purchaser agree that the damages resulting to Seller as a result of such default by Purchaser as of the date of this Agreement are difficult or impossible to ascertain and the liquidated damages set forth in the preceding sentence constitute Seller's and Purchaser's reasonable estimate of such damages.

(b) In the event Seller shall default in the performance of any of its covenants, agreements, warranties or obligations hereunder, Purchaser shall elect, as its sole remedy for failure to Close (except as provided below), either: (i) waive the obligations of Seller in writing; (ii) extend the time for performance by such period of time as may be mutually agreed upon in writing by the parties hereto; (iii) terminate this Agreement and recover the Earnest Money Deposits and Purchaser's out-of-pocket costs and expenses incurred by Purchaser in connection with this Agreement and Purchaser's due diligence investigation of the Property (including, without limitation, legal fees and expenses and court and other costs and expenses of negotiating and enforcing this Agreement), in which event Purchaser and Seller shall have no further obligations hereunder except under provisions of this Agreement which expressly survive the expiration or termination hereof; or (iv) take any and all legal actions necessary to compel Seller's specific performance hereunder (it being acknowledged that damages at law alone would be an inadequate remedy) to consummate the transaction contemplated by this Agreement in accordance with the provisions of this Agreement together with recovery of damages in connection therewith and costs and expense of seeking to enforce specific performance, including without limitation, court costs and legal fees. If any action at law or in equity is brought to enforce or interpret the provisions of this agreement, the Purchaser shall be entitled to recover from Seller attorney's fees, costs and expenses in connection therewith, which fees, costs and expenses may be set by the court in the trial or appeal of such action or may be enforced in a separate action brought for that purpose and which fees shall be in addition to any other relief which may be awarded.

## 11. Miscellaneous.

(a) Broker's Commission. Purchaser has neither consulted with nor used any broker in connection with this agreement for which it shall owe a commission. Seller has neither consulted with nor used any broker in connection with this agreement for which it shall owe a commission. Seller shall protect, indemnify, hold harmless and defend the Purchaser against any and all liabilities, claims, demands, damages, costs and expenses, including, without limitation, attorneys' fees, costs and expenses, in connection with claims for any such other commissions, finders' fees, brokerage fees or other similar compensation that may be asserted by any person with respect to this transaction. This indemnification shall extend to any and all claims, liabilities, costs and expenses (including attorneys' fees and litigation costs) arising as a result of such claims and shall survive the Closing and the recording of the Deed or the termination of this Agreement, as the case may be.

(b) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Assignment of Agreement by Purchaser. Purchaser shall have the right to assign its rights and to delegate its duties under this Agreement without notice to or consent from Seller.

(d) Unenforceability. If any provisions of this Agreement or the application thereof to any part or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(e) Section Headings. The section headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

(f) Time. Time is of the essence of this Agreement and in the performance of the covenants and provisions hereof.

(g) Exhibits. All exhibits referred to in, and attached to, this Agreement are hereby made a part of this Agreement.

(h) Date of Performance. If the date for performance of any act or deadline for required notice under this Agreement falls on a Saturday, Sunday or federal holiday, the date for such performance or required notice shall automatically be extended to the first succeeding "business day" (a day which is not a Saturday, Sunday or federal holiday).

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the internal, substantive laws of the **STATE OF FLORIDA**.

(j) Facsimile, PDF, and Counterpart Signatures. Executed facsimile or PDF copies of this Agreement or any amendments hereto shall be binding upon the parties, and facsimile or PDF signatures appearing hereon or on any amendments hereto shall be deemed to be original signatures. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(k) Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by Seller to Purchaser at Closing, each party mutually agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after the Closing any further deliveries and assurances as may be reasonably necessary, appropriate, convenient, useful or desirable to effectively carry out the intent of this Agreement or to further perfect the conveyance, transfer and assignment of the Property to Purchaser. Seller agrees to cooperate with Purchaser, in all reasonable respects relating to Purchaser's applications for development approvals during the term of this Agreement. This cooperation shall include, but not be limited to, the signing of any applications for approvals and/or permits, answering of questionnaires, or other actions.

(l) Possession. Seller shall grant possession of the Property to Purchaser on the date of Closing.

(m) Survival. This Agreement, and all representations and warranties of Seller and Purchaser, shall not be merged into the documents executed at Closing, and shall survive the Closing.

(n) Entire Agreements. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated hereby, and all prior agreements, letters of intent, term sheets, proposals, offers, counter-offers, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision thereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the parties against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

[Remainder of Page Intentionally Blank – Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**SELLER:**

**FOXMEADOW APARTMENTS, LTD.,**  
a Florida limited partnership

By: Hallmark Group Services of Georgia II, LLC  
a Georgia limited liability company  
Its: General Partner

By: Martin H Petersen  
Name: Martin H. Petersen  
Title: Manager

**PURCHASER:**

**HALLMARK FOXMEADOW, LLC**  
a Florida limited liability company

By: Hallmark Foxmeadow MM, LLC  
a Florida limited liability company  
Its: Managing Member

By: Martin H Petersen  
Name: Martin H. Petersen  
Title: Manager

**EXHIBIT A**

**LEGAL DESCRIPTION**

**LAND:**

**ADDRESS: 844 GLENWOOD AVENUE, CHIPLEY, WASHINGTON COUNTY, FL  
32428**

All that certain tract or parcel of land situate, lying and being in the State of Florida, County of Washington, and being described as follows:

Beginning at the Southeast corner of Lot 14, Block G, in the Hagerman Addition to the Town of Chipley, Florida, according to the plat thereof as recorded in Plat Book 1, page 34, of the public records of Washington County, Florida; thence South 89 degrees 55 minutes 00 seconds West along the North Right-of-Way of Glenwood Avenue, 514.8 feet; thence North 00 degrees 05 minutes 00 seconds East, 290.00 feet; thence North 58 degrees 27 minutes 03 seconds East, 222.23 feet; thence North 89 degrees 55 minutes 00 seconds East, 325.00 feet to the Westerly Right-of-Way of North 2nd Street; thence South along said Westerly Right-of-Way 406.00 feet to the point of beginning. Said parcel containing 4.54 acres, more or less.

## **PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into effective **October 19, 2020** (the “Effective Date”), by and between **FOXMEADOW APARTMENTS II, LTD.**, a Florida limited partnership (“Seller”), and **HALLMARK FOXMEADOW, LLC**, a Florida limited liability company, its successors and assigns (“Purchaser”).

### RECITALS:

WHEREAS, Seller is the owner of the Property (as defined herein); and

WHEREAS, Seller agrees to sell, and Purchaser agrees to purchase, the Property (as defined herein) upon the terms and conditions herein set forth.

NOW, THEREFORE, the parties agree as follows:

1. **Certain Definitions.** When used in this Agreement, the following terms shall have the respective meanings as set forth opposite each such term:

- (a) **Application:** Shall mean an application to the State Credit Agency for an allocation Tax Credits for financing the development of the Project.
- (b) **Closing:** Shall have the meaning set forth in Section 7 of this Agreement.
- (c) **Closing Date:** Shall have the meaning set forth in Section 7 of this Agreement.
- (d) **Deed:** Shall have the meaning set forth in Section 7(a) of this Agreement.
- (e) **Due Diligence Investigations:** Shall have the meaning set forth in Section 4 of this Agreement.
- (f) **Due Diligence Period:** Shall have the meaning set forth in Section 4 of this Agreement.
- (g) **Earnest Money Deposits:** Shall have the meaning set forth in Section 3(a) of this Agreement.
- (h) **Escrow Agent:** Coleman Talley LLP, 1 Independent Drive, Suite 3130, Jacksonville, FL 32202, Attn: Gregory Q. Clark.
- (i) **Improvements:** All buildings, fixtures, structures, parking areas, landscaping and other improvements located in or on the Land as of the Effective Date, including all replacements or additions thereto between the Effective Date and the Closing Date.
- (j) **Land:** The land used for the Project and further described on Exhibit A attached hereto and made a part hereof, together with any and all right, title and interest of Seller in and to any land lying in the bed of any street, road, alley or avenue, open or proposed, in front of or

adjoining such land, as well as any riparian or water rights, any mineral rights, air rights, all rights of way or use, servitudes, licenses, easements, tenements, hereditaments and appurtenances now or hereafter belonging to or benefiting such land.

(k) **Laws:** All laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, directions, and requirements of all governmental authorities having jurisdiction over the Property or the use or operation thereof.

(l) **Permitted Exceptions:** (i) General real estate taxes and special assessments related to the period after the Closing Date which are a lien but are not yet due and payable at the Closing Date; (ii) easements, covenants, conditions, reservations and restrictions of record as disclosed in the Title Commitment, unless objected to by Purchaser prior to Closing; and (iii) any matters disclosed by the Survey, unless objected to by Purchaser prior to Closing.

(m) **Permitted Termination.** Shall have the meaning set forth in Section 6 of this Agreement.

(n) **Planned Use:** The development and construction of the Property as set forth in the Application.

(o) **Project:** Shall mean that certain multi-family development as set forth in the Application and to be constructed in accordance with the Purchaser's plans and specifications on the Land, together with all related utilities, roads and other off-site improvements, if any, along with the Land.

(p) **Property:** Collectively, the Land and the Improvements.

(q) **Property Agreements:** All service contracts, equipment leases and any lease with respect to the Property to which Seller or Seller's agent is a party.

(r) **Purchase Price:** Shall have the meaning set forth in Section 3 of this Agreement.

(s) **State Credit Agency:** Shall mean the Florida Housing Finance Corporation.

(a) **Survey:** A survey of the Land prepared by a surveyor duly licensed in the jurisdiction in which the Land is located and certified to Purchaser and the Title Company as (i) having been prepared in accordance with ALTA/NSPS Minimum Standard Detail Requirements (2016) and (ii) otherwise meeting the requirements of Purchaser, its lender(s) and investor(s).

(b) **Title Commitment:** A commitment for an ALTA Title Insurance Policy for the Property issued by the Title Company in an amount satisfactory to Purchaser.

(c) **Title Company:** The title insurance agency/company selected by Purchaser.

(d) **Title Policy:** Shall have the meaning set forth in Section 7 of this Agreement.

2. **Agreement to Purchase and Sell.** Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell and convey to Purchaser at the Closing, and Purchaser

agrees to purchase and take from Seller at the Closing, all of Seller's right, title, estate and interest in and to the Property.

3. **Consideration and Payment**. In exchange for fee simple title to the Property, Purchaser agrees to pay to Seller the sum of **\$569,223.00** (the "Purchase Price"), payable as follows. The Purchase Price includes the assumption by Purchaser of the indebtedness (including the unpaid principle balance and all accrued and unpaid interest as of Closing) owing by Seller to the United States Department of Agriculture acting through Rural Development (formerly Farmers Home Administration). The assumption of the assumed existing debt is subject to the approval of the USDA.

(a) **Earnest Money**: Purchaser shall deliver to the Escrow Agent, an earnest money deposit, within Ten (10) business days after the Effective Date of this Agreement, the sum of ONE HUNDRED AND NO HUNDREDTHS DOLLARS (\$100.00) (the "Earnest Money Deposits")

(i) **Independent Consideration**: For the right to terminate this Agreement, as outlined herein, ONE HUNDRED DOLLARS (\$100.00) of the Earnest Money Deposits shall be non-refundable to Purchaser, but applied to the Purchase Price as set forth herein.

(b) **Entitlement to Earnest Money Deposits**. Subject to the Disbursement of Earnest Money paragraph below:

(i) Notwithstanding anything in this Agreement to the contrary, the full amount of the Earnest Money Deposits shall be immediately refundable to Purchaser upon the request by Purchaser to the Escrow Agent: (A) any time prior to the expiration of the Due Diligence Period; (B) in the event that Purchaser does not submit an Application; (C) in the event of any Permitted Termination (as defined in Section 6(a)); (D) in the event that all of the Closing Conditions have not been met or waived in writing by Purchaser prior to the Closing Date; (E) in the event of any breach of this Agreement by Seller; or (F) as may otherwise be specifically set forth in this Agreement. In the event of any of the foregoing, all Earnest Money Deposits and any other monies held in escrow by Escrow Agent shall be refunded to Purchaser upon demand.

(ii) Seller shall be entitled to the Earnest Money Deposits, provided the Closing Conditions have been satisfied or expressly waived in writing: (A) at Closing, which shall be credited against the Purchase Price, or (B) if the event of a default by Purchaser which results in its failure to purchase the Property.

(c) **Disbursement of Earnest Money**. Escrow Agent shall disburse the Earnest Money Deposits upon: i) Closing; ii) a subsequent written agreement of Purchaser and Seller; iii) an order of a court having jurisdiction over any dispute involving the Earnest Money Deposits; or iv) the receipt of written notice from Purchaser that one of the conditions set forth in Section 3(b)(i) have occurred. In addition, Escrow Agent may disburse the Earnest Money Deposits upon a reasonable interpretation of the Agreement, provided that Escrow Agent first gives all parties fifteen (15) days notice stating to whom and why the disbursement will be made. Any party may object to the proposed disbursement by giving written notice of the same to Escrow Agent within the fifteen (15) day notice period. Objections not timely made in writing shall be deemed waived. If Escrow Agent receives an objection and, after considering it, decides to disburse the Earnest

Money Deposits as originally proposed, Escrow Agent may do so and send notice to the parties of Escrow Agent's action. If Escrow Agent decides to modify its proposed disbursement, Escrow Agent shall first send a new fifteen (15) day notice to the parties stating the rationale for the modification and to whom the disbursement will now be made.

(d) **Interpleader.** If there is a dispute over the Earnest Money Deposits which the parties cannot resolve after a reasonable period of time, and where Escrow Agent has a bona fide question as to who is entitled to the Earnest Money Deposits, Escrow Agent shall be entitled to, but not obligated to interplead the Earnest Money into a court of competent jurisdiction in Fulton County, Georgia. Escrow Agent shall be reimbursed for and may deduct from any funds interpled, its costs and expenses, including reasonable attorney's fees actually incurred. The prevailing defendant in the interpleader lawsuit shall be entitled to collect its attorney's fees and court costs and the amount deducted by Escrow Agent from the non-prevailing defendant.

(e) **Hold Harmless.** All parties hereby agree to indemnify and hold Escrow Agent harmless from and against all claims, causes of action, suits and damages arising out of or related to the performance by Escrow Agent of its duties hereunder, except to the extent any such claims, causes of action, suits and damages arise from or are incurred as the result of the gross negligence or willful default of Escrow Agent. All parties further covenant and agree not to sue Escrow Agent for damages relating to any decision of Escrow Agent to disburse Earnest Money Deposits made in accordance with the requirements of this Agreement.

(f) **Balance of Purchase Price.** The balance of the Purchase Price, less the Earnest Money Deposits, subject to the prorations and adjustments specifically provided for in this Agreement, less the assumed debt, shall be paid by the Purchaser at Closing in immediately available certified funds. The Purchase Price shall be paid to Seller at Closing by wire transfer of cleared federal funds.

#### 4. **Due Diligence.**

(a) **Due Diligence Period.** For a period beginning on the Effective Date and ending on the date of Closing (the "Due Diligence Period"), Purchaser shall have the right to enter upon the Property for the purpose of inspecting the condition of the Property as well as the use and operation thereof and conducting its due diligence investigation to determine the suitability of the Property for Purchaser's intended uses thereof ("Due Diligence Investigations").

(i) The right to conduct Due Diligence Investigations includes, but is not limited to, the right to review any matters disclosed in the Title Commitment and Survey, the right of Purchaser and Purchaser's agents and representatives to enter upon any portion of the Property to take measurements, make non-destructive inspections, make boundary and topographical survey maps, perform appraisals, conduct non-destructive geotechnical, environmental, groundwater, wetland and other studies required by Purchaser in its sole discretion, to determine the adequacy of utilities serving the Property, zoning matters and compliance with Laws.

(ii) Purchaser hereby agrees to protect, defend, indemnify and hold Seller harmless from and against any physical damage to property or injury to persons caused by Purchaser as a result of Purchaser's Due Diligence Investigations.

(iii) Within ten (10) calendar days after the Effective Date, Seller shall deliver to Purchaser the following items (each to the extent available or reasonably obtainable by Seller):

- (A) Any and all surveys, plats, site plans, topographical maps and/or engineering reports, maps and/or studies related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (B) Any and all information regarding the zoning of the Property;
- (C) Any and all environmental, geotechnical, soil boring, land study, wetland and/or flood plain reports, maps and/or studies related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (D) Any and all market information, feasibility, demand, capture rate, traffic, economic, income and/or special reports and/or studies related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (E) Any and all utility information (including without limitation providers and average monthly unit costs) related to the Property, its parent parcel and/or neighboring/adjacent parcels;
- (F) A copy of the Seller's vesting deed for the Property; and
- (G) Any and all title insurance policies and title exception documents for the Property and/or its parent parcel.
- (H) A current rent roll (the "Rent Roll"), complete with tenant names, apartment numbers, types of units, lease commencement and termination dates, monthly rent for each unit, rent collected in addition to any concessions for each; Seller agrees to provide a rent roll for December 2014 through May 2015 for Purchaser's tax credit application.
- (I) A copy of a typical tenant application lease form in addition to any documentation setting forth any tenant rules and regulations for the Property.
- (J) Copies of any and all contracts (which are known by the Seller) currently in effect relative to the Property, including, but not limited to, any service and regulatory agreements that may exist for the Property.
- (K) Monthly operating statements for the last twelve (12) months.
- (L) A 2014 draft financial statement and financial statements for the previous three (3) years.
- (M) Copies of real estate tax bills to the extent in our possession for the previous two (2) years, the current real estate tax bill to the extent in Seller's possession, and any information within Seller's possession or under its control relating to any pending, or contemplated appeals relating to the Property.

(N) Copies of all utility bills paid by the owner relating to the Property for the previous twelve (12) months.

(b) **Application.**

(i) Seller agrees to fully cooperate with Purchaser, in all reasonable respects relating to Purchaser's Application, including, but not be limited to, signing any applications for approvals and/or permits, answering questionnaires, or other actions; provided, Seller shall not assume any financial responsibility therefor, and Purchaser shall indemnify Seller against any commitments made in the approval process.

(c) **Title.** Purchaser shall have the right to obtain a Title Commitment covering the Property along with legible and complete copies of all documents listed as exceptions therein. Purchaser shall also have the right to cause the Survey to be prepared, at Purchaser's expense, and Seller shall grant to Purchaser and its agents access to the Property to perform the Survey. Purchaser shall have until the Closing to review the Title Commitment and the Survey and to give written notice to Seller of such objections as Purchaser may have to any matters set forth in Title Commitment or Survey. If Purchaser delivers such written notice to Seller, then for a period of Ten (10) business days after receiving the written notice of objection from Purchaser, Seller shall have the right to have such matters cured at Seller's expense, either by (i) the removal of such exceptions, (ii) the procurement of title insurance endorsements, or (iii) other resolution reasonably satisfactory to Purchaser providing coverage against loss or damage as a result of such exceptions. If Seller does not, or is unwilling to, cure the matters set forth in Purchaser's objection letter to Purchaser's satisfaction within such Ten (10) business day period, Purchaser may elect, in its sole discretion (to be exercised by written notice from Purchaser to Seller), to terminate this Agreement, in which event neither party shall thereafter have any further rights, duties, liabilities or obligations under this Agreement except as expressly set forth herein and the Earnest Money Deposits shall be returned to Purchaser.

(d) **Right to Terminate.** By written notice to Seller on or before the expiration of the Due Diligence Period, Purchaser may elect not to proceed with the purchase of the Property. Purchaser may make such election in its sole discretion for any reason. If Purchaser elects not to proceed with the purchase of the Property, then the Earnest Money Deposits shall be returned to Purchaser, and no party shall have any further rights, duties, liabilities or obligations under this Agreement except as specifically set forth herein.

5. **Representations and Warranties.**

(a) **Seller.** Seller represents, warrants and covenants to Purchaser and the Title Company, as of the Effective Date (with such representations and warranties to be re-made as of Closing) that:

(i) Seller has the right, power and authority to enter into this Agreement and to sell the Property in accordance with the terms hereof, and Seller has granted no option to any other person or entity to purchase the Property. The undersigned person executing this Agreement, whether individually or on behalf of an entity, is duly authorized to do so. This Agreement and the

consummation of the transaction hereunder have been duly and validly authorized by all necessary partnership, corporate or limited liability action by, or on behalf of, Seller.

(ii) To the best of Seller's knowledge, the Property complies with, conforms to and obeys all Laws existing on the date of Closing of all governmental authorities or agencies having jurisdiction over the Property, and any requirement contained in any hazard insurance policy covering the Property or board of fire underwriters or other body exercising similar functions which are applicable to the Property or to any part thereof or which are applicable to the use or manner of use, occupancy, possession or operation of the Property. To the best of Seller's actual knowledge, but without additional inquiry, neither the Property nor any portion thereof violates any zoning, building, fire, health, pollution, subdivision, environmental protection or waste disposal ordinance, code, law or regulation or any requirement contained in any hazard insurance policy covering the Property; and Seller shall give prompt notice to Purchaser of any such violation which shall be received by Seller prior to Closing.

(iii) Seller has not received notice of and has no knowledge of any suits, judgments, or violations relating to or at the Property of any zoning, building, fire, health, pollution, environmental protection, or waste disposal ordinance, code, law or regulation which has not been heretofore corrected; that there is no suit or judgment presently pending or, to the best knowledge and belief of Seller, threatened which would create a lien upon the Property in the hands of Purchaser after Closing; and Seller shall give prompt notice to Purchaser of any such suit or judgment filed, entered or threatened prior to Closing.

(iv) There are no known pending, threatened or contemplated eminent domain proceedings affecting the Property or any part thereof; and Seller shall give prompt notice to Purchaser of any such proceedings which occur or are threatened prior to Closing.

(v) Seller has not received notice of and has no actual knowledge of pending or contemplated changes in the present status of zoning of the Property, and Seller shall give prompt notice to Purchaser of any such proposed changes of which Seller is aware prior to the Closing.

(vi) The Seller is not involved in any bankruptcy, reorganization or insolvency proceeding.

(vii) All taxes, assessments, water charges and sewer charges affecting the Property or any part thereof due and payable at the time of the Closing shall have been, or will be at Closing, paid in full. All current special assessments which are or will become a lien known to the Seller at the time of Closing on the Property shall also shall have been paid and discharged at Closing (in prorate shares between Seller and Purchaser), whether or not payable in installments.

(viii) There are no leases affecting the Property, no parties in possession of the Property nor any parties entitled to possession thereof.

(ix) All service contracts, if any, (except those specifically approved by Purchaser which shall be assigned to Purchaser at Closing) shall be terminated and paid in full as of the Closing Date.

(x) The Property is or will be at Closing, subdivided as an independent and conveyable parcel in accordance with all applicable rules, regulations, zoning and ordinances.

(xi) The Property has or will have prior to Closing, a unique tax parcel number separate from other property owned by Seller.

(xii) The Property has or will have prior to Closing vehicular and pedestrian access to a public right-of-way.

(xiii) Hazardous Materials. To the best of Seller's knowledge: (i) the Property has not in the past been used and is not presently being used for the handling, storage, manufacturing, refining, transportation or disposal of "toxic material", "hazardous substances" or "hazardous waste"; (ii) there has not been and is not presently leaching or drainage of waste materials or hazardous substances into the groundwater beneath or adjacent to the Property; (iii) no buried, semiburied or otherwise placed tanks, storage vessels, drums, or containers of any kind located on the Property used for the storage of hazardous waste, hazardous substances or toxic material; (iv) there no asbestos containing materials located on the Property; (v) no construction material used in any improvements located at the Property contains any substance or material presently known to be a hazardous substance or toxic material; (vi) Seller has not disposed upon the Property any hazardous substances on or below the surface of the Property or within two thousand (2,000) feet of the boundary thereof including, without limitation, contamination of the soil, subsoil or groundwater; and (vii) the Property is not in violation of any law, rule or regulation of any government entity having jurisdiction thereof or which exposes Purchaser to liability to third parties. The terms "hazardous waste", "hazardous substances" and toxic material" include, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sect. 960 et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Sect. 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sect 9601 et seq.), the regulations adopted and publications promulgated pursuant to the foregoing and any other federal, state or local environmental law, ordinance, rule or regulation. Furthermore, Seller has not received a summons, citation, directive, letter or other communication, written or oral, from any governmental authority as to any of the above environmental concerns.

(A) Without limiting the other provisions of this Agreement, Seller shall cooperate, at no cost to Seller, with Purchaser's investigation of matters relating to the foregoing provisions of this Section and provide access to and copies of all data and/or documents in Seller's or Seller's agent's possession dealing with potentially hazardous materials used at the Property and any disposal practices followed. Seller agrees that Purchaser may make inquiries of governmental agencies regarding such matters, without liability to Purchaser for the outcome of such discussions.

(xiv) Seller has provided Purchaser true and complete copies of all surveys, appraisals, engineering reports and other related documentation available to Seller and all amounts due for the services performed for the same have been paid in full.

(xv) While this Agreement is in effect, Seller shall not solicit, accept or negotiate other offers with respect to the Property or execute any deeds, easements, rights-of-way affecting the Property or subject the Property to any additional covenant, easement, restriction or encumbrance.

(xvi) Nondisclosure of Information. In consideration of, and as a material inducement to, Purchaser entering into this Agreement, Seller agrees not to disclose or permit disclosure of this Agreement, the parties involved in the Project, or any Information to third parties or to employees of Seller other than attorneys, consultants and agents who are required to have the information in order to carry out the discussions regarding this Agreement and have entered into similar confidentiality agreements. The Seller agrees that it shall take all necessary measures to protect the secrecy of and avoid disclosure or use of Information of Purchaser in order to prevent such Information from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such information. The provisions of this Section shall survive the Closings or any expiration or termination of this Agreement. "Information" includes, without limitation, plans, specifications, drawings, designs, financial information, reports, contracts, emails, names of parties involved, and all record-bearing media (electronic or otherwise) containing or disclosing such information.

(b) **Purchaser.** Purchaser represents and warrants to Seller as of the Effective Date (which such representations and warranties to be re-made as of Closing) that:

(i) Purchaser has the capacity and authority to execute this Agreement and perform the obligations of Purchaser under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Purchaser has been taken and such action has not been rescinded or modified.

(ii) Purchaser is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would limit or restrict Purchaser's right to enter into and carry out this Agreement. Purchaser is duly organized and validly existing in good standing under the laws of the **STATE OF FLORIDA**, and has the legal right, power and authority to enter into this Agreement and to perform its obligation hereunder, and this Agreement constitutes the legal, valid and binding obligations of Purchaser, enforceable in accordance with its terms.

(iii) Neither the execution of this Agreement nor the consummation of the transactions contemplated herein will constitute a breach under any contract or agreement to which Purchaser is a party or by which Purchaser is bound or affected.

(c) **Continued Accuracy of Representations and Warranties.** The matters set forth in Section 5(a) constitute representations and warranties by Seller which are now, and shall at the Closing, be true and correct. The continued accuracy in all material respects of such representations and warranties is a condition precedent to Purchaser's obligation to close. If, during the period between the Effective Date and the Closing Date, Seller learns of, or has a reason to believe that any of its representations and warranties may cease to be true in any adverse respect, Seller shall give prompt written notice to Purchaser (the "Seller Notice"). In the event that (i) Seller delivers the Seller Notice, or (ii) Purchaser otherwise becomes aware that any such representation or warranty has ceased to be true in any adverse respect prior to Closing, Purchaser shall have the

right, in its sole discretion, to terminate this Agreement, in which event the Earnest Money Deposit shall be returned to Purchaser, and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specially set forth herein. Purchaser shall exercise the foregoing election by written notice to Seller on or before the Closing Date. Seller's representations and warranties shall survive the Closing, and Purchaser shall not be deemed to have waived any such representation or warranty unless Purchaser executes an express, written waiver.

6. **Conditions to Closing.**

(a) Notwithstanding anything to the contrary, all of Purchaser's obligations under this Agreement, including without limitation to acquire the Property and pay the Purchase Price, are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, or the express written waiver thereof by Purchaser (the "Closing Conditions").

(i) Seller shall have performed in all material respects its obligations contained in this Agreement required to be performed on or prior to the Closing Date.

(ii) The Title Company is obligated to and will in fact issue to Purchaser and its lender(s) the Title Policy in accordance with the provisions of Section 7 hereof.

(iii) The receipt of the award or allocation of Tax Credits as set forth in the Application.

(iv) Each and every representation and warranty made by Seller in this Agreement shall be true and correct in every material respect.

(v) The Property is zoned as required for the Purchaser's desired use of the Property.

(vi) Purchaser's receipt of an acceptable appraisal, in Purchaser's sole and absolute discretion, of the Property in an amount equal to or greater than the Purchase Price.

(vii) Seller and/or Purchaser having received all necessary permitting and other approvals for Purchaser's desired use of the Property. Seller and Purchaser will fully cooperate to obtain all necessary permitting and other approvals.

(viii) The receipt and closing of all other financing sufficient for Purchaser's desired development and use of the Property.

(ix) All utilities (including, without limitation, water, sewer, electricity, service) being available for use by at the boundary of the Property as of the Closing Date.

(x) If applicable, Seller's cure of the matters set forth in Purchaser's title objection letter to Purchaser's satisfaction.

Seller shall fully cooperate with Purchaser in accomplishing the foregoing. If any condition specified in this Section 6(a) is not timely satisfied or waived in writing by Purchaser,

Purchaser shall have the right to terminate this Agreement (a “Permitted Termination”), in which event, the Earnest Money Deposits shall be returned to Purchaser and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth in Section 11 of this Agreement. Notwithstanding anything to the contrary, the Closing Conditions are each an express condition precedent to Purchaser’s obligations hereunder. In no event shall Purchaser be in default under this Agreement unless and until all of the Closing Conditions have been met.

(b) Seller’s obligation under this Agreement to sell the Property is subject to the fulfillment at or prior to the Closing Date of each of the following conditions (or the express, written waiver thereof by Seller):

(i) Purchaser shall have performed in all material respects its obligations contained in this Agreement required to be performed on or prior to the Closing Date.

(ii) Each and every representation and warranty made by Purchaser in this Agreement shall be true and correct in every material respect.

If any condition specified in this Section 6(b) is not timely satisfied or waived by Seller, Seller shall have the right to terminate this Agreement, in which event, the Earnest Money Deposit shall be paid to Seller and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth in Section 11 of this Agreement.

7. **Closing.** If all Closing Conditions are satisfied or expressly waived in writing, the closing of the transactions described in this Agreement (the “Closing”) shall be held on or before **DECEMBER 31, 2022**, at the offices of Purchaser’s attorney in Atlanta, Georgia (or by mail), by giving Seller at least Five (5) business days’ prior written notice of the time and date thereof, or, if no such notice is given, at 2:00 p.m. on such date (the “Closing Date”). If the Closing does not occur by said date, then the Closing Date may be extended for an additional **SIXTY (60)** calendar days. Except as set forth herein. If all Closing Conditions are satisfied or expressly waived in writing and the Closing does not occur by said date unless otherwise extended by the parties, neither party shall thereafter have any further rights, duties, liabilities or obligations under this Agreement except as expressly set forth herein and the Earnest Money Deposit shall be released to Seller. If all Closing Conditions have not been satisfied or expressly waived in writing by the Closing Date (as extended by agreement), then full amount of Earnest Money Deposits shall be refundable to Purchaser on demand to Escrow Agent at any time after the Closing Date.

(a) **Conveyance.** At Closing, Seller shall deposit in escrow a good and sufficient general warranty deed in form acceptable to Purchaser, its counsel and the Title Company, conveying to Purchaser all of Seller’s rights and interest in and to the Property, free and clear of all encumbrances, except for the Permitted Exceptions, duly executed by Seller (the “Deed”). Seller shall also execute and deliver the other documents and instruments described in Section 7(e) to convey its other rights, title, and interests in the Property.

(b) **Title Policy.** On the Closing Date, the Title Company shall furnish Purchaser with an ALTA Title Policy issued by the Title Company in the amount of the Purchase Price in its customary form, with all standard exceptions removed (“Title Policy”), which shall insure title to

the Property to be good in Purchaser subject only to the Permitted Exceptions. Seller shall obtain, execute and/or deliver such documents and instruments as necessary to satisfy requirements of the Title Company, to delete or remove exceptions, conditions or stipulations to the Title Policy, including but not limited to owner's affidavits, resolutions, releases, and opinions of counsel.

(c) **Prorations.** Property, ad valorem, and any similar taxes and assessments and rents shall be prorated as of the Closing Date. Purchaser and Seller agree to re-prorate taxes and assessments after the Closing upon the receipt of the actual tax bill(s). This provision shall survive the Closing of the transaction contemplated by this Agreement. Any prorations to which Purchaser may be entitled by reason of the foregoing shall be credited against the balance of the Purchase Price to be paid at Closing.

(d) **Charges.**

(i) Seller shall be charged the following amounts at Closing: (a) transfer tax payable upon the recording of the Deed and (b) any monetary encumbrances on the Property and recording costs for any associated releases.

(ii) Purchaser shall be charged the following amounts at Closing: (a) the cost of the Owner's Title Policy; (b) all preparation and recording costs for the Deed; and (c) the cost of the Survey.

(iii) Each party shall pay its own attorneys' fees, except as otherwise specifically set forth herein.

(iv) If the Property is or was being taxed under an abatement or exemption that will or does result in the assessment of "rollback" taxes at or after Closing, Seller, at Seller's sole expense, shall be responsible for paying the amount of such rollback taxes whenever the same shall be assessed. This covenant shall survive Closing. Seller shall protect, indemnify, hold harmless and defend the Purchaser against any and all liabilities, claims, demands, damages, costs and expenses, including, without limitation, attorneys' fees, costs and expenses, in connection with claims for any such other commissions, finders' fees, brokerage fees or other similar compensation that may be asserted by any person with respect to this transaction. This indemnification shall extend to any and all claims, liabilities, costs and expenses (including attorneys' fees and litigation costs) arising as a result of such claims and shall survive the Closing and the recording of the Deed.

(e) **Deliveries.**

(i) Seller shall deliver the following to Purchaser (duly executed where applicable) through escrow at or prior to the Closing, each of which shall be in form and substance acceptable to Purchaser in its judgment reasonably exercised:

(A) The Deed.

(B) A quitclaim deed from Seller in recordable form conveying to Purchaser title to the Survey description of the Property.

(C) Assignment and Assumption of Leases, Rents and Security Deposits.

(D) Bill of Sale.

(E) Assignment and Assumption of all contracts of Seller acceptable to Purchaser incident the operation of the Property.

(F) Such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required to give effect to the terms and intent of this Agreement.

(G) An affidavit in form and substance reasonably satisfactory to the Title Company for the purpose of permitting the Title Company to delete the standard exceptions from the Title Policy and such other documents reasonably required by the Title Company in connection with the issuance of the Title Policy.

(H) A FIRPTA Affidavit (Certificate of Nonforeign Status) acceptable to the Title Company.

(I) A closing statement identifying the prorations required hereunder and a proration agreement if requested by Purchaser.

(J) A "drop down" certificate, updating the truth and accuracy of Seller's representations and warranties contained herein and indicating any changes which may be required to make those representations and warranties remain true and accurate; provided, however, that if any changes are indicated, then Purchaser shall have the rights as set forth in Section 5(c) above.

(K) Incumbency certificate executed by a duly authorized officer/member/partner of Seller, including the following:

- (i) Address and EIN of Seller.
- (ii) Name of the Officer(s) that will be signing all of the closing documents.
- (iii) Whether the Seller will affix its corporate seal or have the documents attested by a second Officer.
- (iv) Current Articles of Incorporation/Organization or Certificate of Limited Partnership, together with any amendments;
- (v) Current Bylaws/Operating Agreement/Partnership Agreement, together with any amendments;
- (vi) Certificate of Good Standing dated within 30 days of closing;
- (vii) Resolutions adopted by Seller governing body authorizing the execution and delivery of this Agreement by Seller, the performance by Seller of its obligations hereunder and the consummation of the transactions contemplated hereby.

(L) Transfer and assignments of all existing service contracts and leases, including in security deposits, affecting the Property.

(M) All existing tenant leases affecting the Property and all records and files (or certified copies thereof) relating to the operation and maintenance of the Property in Seller's possession; Seller will use best efforts to deliver a certified copy of any lease affecting the Property the original of which Seller does not have in its possession as of Closing.

(N) A certified rent roll dated within three (3) days prior to the Closing.

(O) An assignment, transfer and assumption of any and all service contracts, maintenance agreements, or other agreements or documents affecting the Property.

(P) An assignment, transfer and assumption of all tenant leases affecting the Real Property, which assignment shall contain an indemnity in favor of Purchaser against all claims arising under such tenant leases prior to Closing and an indemnity in favor of Seller against all claims arising under said tenant leases following Closing.

(Q) An assignment of any and all guaranties or warranties relating to the Personal Property.

(R) An indemnity agreement providing for indemnification of Purchaser by Seller against all operating expenses or other liabilities of the Property allocable to any period prior to Closing;

(ii) Purchaser shall deliver the following to Seller (duly executed where applicable) through escrow at or prior to Closing:

(A) The Purchase Price in available funds.

(B) Resolutions adopted by Purchaser authorizing the execution and delivery of this Agreement by Purchaser, the performance by Purchaser of its obligations hereunder and the consummation of the transactions contemplated hereby.

(C) Such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required to give effect to the terms and intent of this Agreement.

8. **Damage or Condemnation; Risk of Loss.** Seller hereby represents and warrants that at Closing the Property will be in at least as good a condition as it is upon execution of this Agreement, normal wear and tear excepted, and that Seller shall neither do or allow, directly or indirectly, or cause anything to be done, to affect the condition or use of the Property except as may be otherwise expressly provided for herein. In the event of any substantial damage to the Property prior to Closing (except as caused by Purchaser), or in the event of the initiation of eminent domain or condemnation proceeding relating to the Property prior to closing, Purchaser

may, at its option, terminate this Agreement in writing within five (5) days of receipt of notice of any damage or initiation of eminent domain proceedings. In the event this Agreement is not terminated pursuant to this Paragraph 8, Purchaser shall consummate this transaction on the Closing Date without reduction in Purchase Price, and Purchaser shall be entitled to participate in any such condemnation or eminent domain proceedings and to receive all of the proceeds from the condemning authority attributable to any portion of the Property to be conveyed to Purchaser.

9. **Notices.** Any notice required or permitted to be given hereunder by the parties shall be delivered personally or served by certified or registered mail or by a nationally recognized overnight carrier or by e-mail to the parties at the mailing addresses and email address set forth below, unless different addresses or email addresses are given by one party to the other:

As to Seller:

Foxmeadow Apartments II, Ltd.  
Attn: Martin H. Petersen  
3111 Paces Mill Rd.  
Atlanta, GA 30339

As to Purchaser:

Hallmark Foxmeadow, LLC  
Attn: Martin H. Petersen  
3111 Paces Mill Rd.  
Atlanta, GA 30339

With Copy to:

Coleman Talley LLP  
Attn: Gregory Q. Clark  
1 Independent Drive, Suite 3130  
Jacksonville, FL 32202

As provided in this Section, any notice shall, for all purposes, be deemed given and received: (a) if given by email, when the email is transmitted to the party's email address specified above and such email is further mailed to such party's mailing address by that transmitting party; (b) if hand delivered to a party, upon delivery to the party specified above; (c) if given by a nationally recognized and reputable overnight delivery service, the day on which delivery is made or attempted by such delivery service; or (d) if given by certified mail, return receipt requested, postage prepaid, upon delivery to the party specified above. Unless directed otherwise by prior written notice, counsel for Purchaser and Seller may send written notices required or permitted by this Agreement directly to the other party so long as they simultaneously provide such party's counsel with a copy of any such direct communication, such communications being expressly permitted by Purchaser, Seller and their respective counsel.

10. **Remedies.**

(a) In the event that Purchaser defaults in its obligation to proceed to the Closing of the transaction contemplated by this Agreement, Seller shall be entitled to terminate this Agreement and receive the Earnest Money Deposit as liquidated damages, in lieu of all other remedies available to Seller at law or in equity for such default. Seller and Purchaser agree that the damages resulting to Seller as a result of such default by Purchaser as of the date of this Agreement are difficult or impossible to ascertain and the liquidated damages set forth in the preceding sentence constitute Seller's and Purchaser's reasonable estimate of such damages.

(b) In the event Seller shall default in the performance of any of its covenants, agreements, warranties or obligations hereunder, Purchaser shall elect, as its sole remedy for failure to Close (except as provided below), either: (i) waive the obligations of Seller in writing; (ii) extend the time for performance by such period of time as may be mutually agreed upon in writing by the parties hereto; (iii) terminate this Agreement and recover the Earnest Money Deposits and Purchaser's out-of-pocket costs and expenses incurred by Purchaser in connection with this Agreement and Purchaser's due diligence investigation of the Property (including, without limitation, legal fees and expenses and court and other costs and expenses of negotiating and enforcing this Agreement), in which event Purchaser and Seller shall have no further obligations hereunder except under provisions of this Agreement which expressly survive the expiration or termination hereof; or (iv) take any and all legal actions necessary to compel Seller's specific performance hereunder (it being acknowledged that damages at law alone would be an inadequate remedy) to consummate the transaction contemplated by this Agreement in accordance with the provisions of this Agreement together with recovery of damages in connection therewith and costs and expense of seeking to enforce specific performance, including without limitation, court costs and legal fees. If any action at law or in equity is brought to enforce or interpret the provisions of this agreement, the Purchaser shall be entitled to recover from Seller attorney's fees, costs and expenses in connection therewith, which fees, costs and expenses may be set by the court in the trial or appeal of such action or may be enforced in a separate action brought for that purpose and which fees shall be in addition to any other relief which may be awarded.

## 11. Miscellaneous.

(a) Broker's Commission. Purchaser has neither consulted with nor used any broker in connection with this agreement for which it shall owe a commission. Seller has neither consulted with nor used any broker in connection with this agreement for which it shall owe a commission. Seller shall protect, indemnify, hold harmless and defend the Purchaser against any and all liabilities, claims, demands, damages, costs and expenses, including, without limitation, attorneys' fees, costs and expenses, in connection with claims for any such other commissions, finders' fees, brokerage fees or other similar compensation that may be asserted by any person with respect to this transaction. This indemnification shall extend to any and all claims, liabilities, costs and expenses (including attorneys' fees and litigation costs) arising as a result of such claims and shall survive the Closing and the recording of the Deed or the termination of this Agreement, as the case may be.

(b) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Assignment of Agreement by Purchaser. Purchaser shall have the right to assign its rights and to delegate its duties under this Agreement without notice to or consent from Seller.

(d) Unenforceability. If any provisions of this Agreement or the application thereof to any part or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(e) Section Headings. The section headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

(f) Time. Time is of the essence of this Agreement and in the performance of the covenants and provisions hereof.

(g) Exhibits. All exhibits referred to in, and attached to, this Agreement are hereby made a part of this Agreement.

(h) Date of Performance. If the date for performance of any act or deadline for required notice under this Agreement falls on a Saturday, Sunday or federal holiday, the date for such performance or required notice shall automatically be extended to the first succeeding "business day" (a day which is not a Saturday, Sunday or federal holiday).

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the internal, substantive laws of the **STATE OF FLORIDA**.

(j) Facsimile, PDF, and Counterpart Signatures. Executed facsimile or PDF copies of this Agreement or any amendments hereto shall be binding upon the parties, and facsimile or PDF signatures appearing hereon or on any amendments hereto shall be deemed to be original signatures. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(k) Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by Seller to Purchaser at Closing, each party mutually agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after the Closing any further deliveries and assurances as may be reasonably necessary, appropriate, convenient, useful or desirable to effectively carry out the intent of this Agreement or to further perfect the conveyance, transfer and assignment of the Property to Purchaser. Seller agrees to cooperate with Purchaser, in all reasonable respects relating to Purchaser's applications for development approvals during the term of this Agreement. This cooperation shall include, but not be limited to, the signing of any applications for approvals and/or permits, answering of questionnaires, or other actions.

(l) Possession. Seller shall grant possession of the Property to Purchaser on the date of Closing.

(m) Survival. This Agreement, and all representations and warranties of Seller and Purchaser, shall not be merged into the documents executed at Closing, and shall survive the Closing.

(n) Entire Agreements. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated hereby, and all prior agreements, letters of intent, term sheets, proposals, offers, counter-offers, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision thereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the parties against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

[Remainder of Page Intentionally Blank – Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**SELLER:**

**FOXMEADOW APARTMENTS II, LTD.,**  
a Florida limited partnership

By: Hallmark Group Services of Georgia II, LLC  
a Georgia limited liability company  
Its: General Partner

By:   
Name: Martin H. Petersen  
Title: Manager

**PURCHASER:**

**HALLMARK FOXMEADOW, LLC**  
a Florida limited liability company

By: Hallmark Foxmeadow MM, LLC  
a Florida limited liability company  
Its: Managing Member

By:   
Name: Martin H. Petersen  
Title: Manager

**EXHIBIT A**

**LEGAL DESCRIPTION**

**LAND:**

**542 2<sup>nd</sup> STREET, CHIPLEY, WASHINGTON COUNTY, FL 32428**

All that certain tract or parcel of land situate, lying and being in the State of Florida, County of Washington, and being described as follows:

BEGINNING at the SE Corner of Lot 14, Block 6, in the Hagerman Addition to the Town of Chipley, according to the plat thereof as recorded in Plat Book 1, Page 34, of the Public Records of Washington County, Florida; thence due North along the West Right-of-Way of N. 2nd St. 406.0 ft to POB, then S89°55'W 325.0 ft; thence S58°15'W 211.68 ft; thence due North 331.13 ft; thence N89°55' 505.0 ft along the South Right-of-Way of West Holley Avenue; thence due South 220.0 ft to the POB, said parcel containing 2.78 acres, more or less.

# Attachment

9

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

Name of Development: Foxmeadow Apartments

Site 1: 844 Glenwood Avenue, Chipley, Florida (24 units)

Development Location: Site 2: 542 2nd Street, Chipley, Florida (20 units)

(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 location of all Scattered Sites, if applicable, must also be included.)

Number of Units in the Development: 44

This number must be equal to or greater than the number of units stated by the Applicant in Exhibit A of the RFA.

The undersigned service provider confirms that, as of the date that this form was signed, the above referenced Development's proposed number of units, density, and intended use are consistent with current land use regulations and zoning designation or, if the Development consists of rehabilitation, the intended use is allowed as a legally non-conforming use.

**CERTIFICATION**

I certify that the City/County of Chipley has vested in me the authority to verify

(Name of City/County)

consistency with local land use regulations and zoning designation 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.

Dan Miner  
Signature

Dan Miner  
Print or Type Name

City Administrator  
Print or Type Title

09-30-2020  
Date Signed

1442 Jackson Avenue

Address (street address, city, state)

Chipley, FL 32428

Address (street address, city, state)

850-638-6318

Telephone Number (including area code)

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

# Attachment

10

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

Name of Development: Foxmeadow Apartments

Site 1: 844 Glenwood Avenue, Chipley, Florida (24 units)

Development Location: Site 2: 542 2nd Street, Chipley, Florida (20 units)

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 location of all Scattered Sites, if applicable, must also be included.

Number of Units in the Development: 44

This number must be equal to or greater than the number of units stated by the Applicant in Exhibit A of the RFA.

The undersigned service provider confirms that, as of the date that this form was signed, the above referenced Development Location met the following:

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, provide easements, and remove, relocate, install or construct line extensions and other equipment, including but not limited to pumping stations, in connection with the construction of the Development. Execution of this document does not guarantee that water service will be available to the Applicant in the future and does not provide the Applicant with any vested rights to receive water service. The availability of water services is subject to the approval of all applicable governmental agencies having jurisdiction over these matters.

**CERTIFICATION**

I certify that the foregoing information is true and correct.

  
Dan Miner

Signature

Dan Miner

Print or Type Name

City Administrator

Print or Type Title

10-2-2020

Date Signed

City of Chipley Florida

Name of Entity Providing Service

1442 Jackson Avenue

Address (street address, city, state)

Chipley, FL 32428

850-638-6350

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 elected local government officials are not acceptable. If there are alterations made to this form that change the meaning of the form, the form will not be accepted.

# Attachment

11

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

Name of Development: Foxmeadow Apartments

Site 1: 844 Glenwood Avenue, Chipley, Florida (24 units)

Development Location: Site 2: 542 2nd Street, Chipley, Florida (20 units)

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 location of all Scattered Sites, if applicable, must also be included.

Number of Units in the Development: 44

This number must be equal to or greater than the number of units stated by the Applicant in Exhibit A of the RFA.

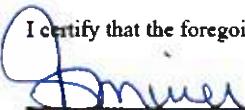
The undersigned service provider confirms that, as of the date that this form was signed, Sewer Capacity or Package Treatment is available to the proposed Development; or there are no known prohibitions to installing a Septic Tank system with adequate capacity for the proposed Development location or, if necessary, upgrading an existing Septic Tank system with adequate capacity for the proposed Development location.

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, provide easements, and/or remove, relocate, install or construct line extensions and other equipment, including but not limited to pumping stations, in connection with the construction of the Development. Execution of this document does not guarantee that waste treatment service will be available to the Applicant in the future and does not provide the Applicant with any vested rights to receive waste treatment service. The availability of waste treatment services is subject to the approval of all applicable governmental agencies having jurisdiction over these matters.

For projects located within Miami-Dade County, the Applicant is advised that the right to connect the referenced property to the Department's sewer system is subject to the terms, covenants and conditions set forth in court orders, judgments, consent orders, consent decrees and the like entered into between the County and the United States, the State of Florida, and/or any other governmental entity, including the Consent Decree entered on April 9, 2014, in the United States of America, State of Florida and State of Florida Department of Environmental Protection v. Miami-Dade County, Case No. 1:12-cv-24400-FAM, as well as all other current, subsequent or future enforcement and regulatory actions and proceedings.

**CERTIFICATION**

I certify that the foregoing information is true and correct.



Signature

Dan Miner

Print or Type Name

City Administrator

Print or Type Title

10-2-2020

Date Signed

City of Chipley Florida

Name of Entity Providing Service

1442 Jackson Avenue

Address (street address, city, state)

Chipley, FL 32428

850-638-6346

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 elected local government officials are not acceptable. If there are alterations made to this form that change the meaning of the form, the form will not be accepted.

# Attachment

12



Boston Financial  
Investment Management, LP  
*a Limited Partnership*

101 Arch Street  
Boston, Massachusetts 02110  
T: 617.439.3911  
F: 617.439.9978  
[www.bfim.com](http://www.bfim.com)

October 10, 2020

Mr. Martin H. Petersen  
Hallmark Foxmeadow, LLC  
3111 Paces Mill Road, STE A-250  
Atlanta, GA 30339

**Re: Foxmeadow Apartments**  
**Site 1: 844 Glenwood Avenue**  
**Site 2: 542 2<sup>nd</sup> Street**  
**Chipley, Florida**

Dear Mr. Petersen:

We appreciate the opportunity to become the investment partner in Foxmeadow Apartments (the “Property”). This preliminary letter of commitment (“LOC”) summarizes the proposed investment terms and conditions by which a limited partnership or limited liability company formed by Boston Financial Investment Management, LP (“Boston Financial”) would acquire an interest in the Partnership (as defined below).

As further detailed in Section 2.2 below, BFLP (as defined below) would proceed to make capital contributions to the Partnership of approximately \$5,020,337 or the equivalent of \$0.88 per each dollar of Federal Low Income Housing Tax Credits.

## **1. Project Assumptions**

We have made the following assumptions in evaluating this investment:

### **1.1 Development Structure**

- **The Limited Liability Company.** Hallmark Foxmeadow, LLC (the “Partnership”) has been, or will be, formed to acquire, rehabilitate, own, and operate the Property.
- **Investor and Special Limited Partners.** An entity affiliated with Boston Financial (“BFLP”) will purchase a 99.99% limited partnership interest in the Partnership (“Admission”) upon satisfactory completion of the conditions contained in this preliminary commitment. A corporation affiliated with Boston Financial will be a special limited partner in the Partnership with certain restricted management rights and a small interest in sale proceeds (the “Special Limited Partner”).
- **Managing Member.** The Managing Member of the Limited Liability Company will be Hallmark Foxmeadow MM, LLC (the “Managing Member”).
- **Developer.** The Property will be developed by Hallmark Development Partners, LLC (the “Developer”).

- Guarantor. The obligations of the Developer and Managing Member must be guaranteed joint and several by Martin H. Petersen and The Hallmark Companies, Inc. (collectively the “Guarantors”). The Guarantors must maintain \$5,000,000 of net worth and \$1,000,000 in liquidity from the closing date through Construction Completion. The Guarantors must maintain liquidity of \$500,000 post completion until the Operating Obligation expires and \$250,000 thereafter. Boston Financial will have the right to accept or reject the Guarantors in its sole discretion based on a detailed review of the Guarantor’s financial statements.
- Management Agent. The Property will be managed by Hallmark Management, Inc., pending review and acceptance by Boston Financial, or another agent acceptable to Boston Financial (the “Management Agent”). The Management Agent (i) will have demonstrated experience managing Section 42 properties and (ii) will receive a competitive management fee, which shall not exceed the lesser of 6% of effective gross revenue or the maximum amount permitted by any lender. If related to the Managing Member the Management Agent will enter into an agreement to defer and accrue its fee, if necessary, to prevent (i) a default under the mortgage loan documents and (ii) to avoid an operating deficit. Breach of this agreement will be grounds for removal of the Management Agent.

## 1.2 Property Design and Development Schedule

- The Property will be developed as a rehabilitation of apartment complex and will consist of 44 units. The unit and income mix will include:

### Property Design:

Units	Beds	Inc AMI	Rent AMI	Set-Aside	Subsidy
16	One	60%	60%	None	USDA
4	One	40%	40%	None	USDA
18	Two	60%	60%	None	USDA
5	Two	40%	40%	None	USDA
1	Two	60%	60%	None	None
100% of the revenue units will be occupied by LIHTC-eligible tenants.					

### Development Schedule:

Metric	Date Achieved
Construction Start	August, 2021
First Units Placed in Service	August, 2022
100% Completion	October, 2022
100% Qualified Occupancy	December, 2022

### **1.3 Financing\***

Type	Lender	Amount	Rate	Fixed Rate?	Term	Amort	Hard Payments*
Const	Bank OZK	\$2,400,000	TBD%	No	24 mths	N/A	Interest Only
Perm	USDA RD 515	\$538,355.98	1.0%	Yes	30	50	P&I.

\* In no event will any hard debt be underwritten to a Debt Service Coverage Ratio (“DSCR”) of less than 1.15x. All permanent mortgages must be Partnership non-recourse financing. All mortgages will be considered basis eligible.

### **1.4 Reserves**

All required reserves are expected to be funded prior to or by the Stabilization Installment, except as stated below.

- Replacement Reserve. In addition to an initial replacement reserve deposit of \$18,700, the Property operating expenses will include funding of a Replacement Reserve in the amount of at least \$425 per unit per year and increased annually by 3% per year.

### **1.5 Other**

- We have assumed a hard cost contingency of \$451,440, or approximately 15% of total hard costs.
- Each of the buildings at the Property will be depreciated over 30.0 years.
- Any interest income earned by the Partnership will be specially allocated to the for-profit Managing Member.

## **2. Tax Credits and Capital Contributions**

### **2.1 Tax Credit Assumptions**

- The Partnership will receive a reservation of 2020, 2021, or 2022 Federal LIHTC for the Property in the amount of \$570,549 per annum totaling \$5,705,490.
- Boston Financial will purchase \$5,704,920 , equal to 99.99% of the total Federal LIHTC allocation.

## 2.2 Capital Contributions

Based upon the assumptions that you submitted and subject to the satisfactory completion of Boston Financial's due diligence, BFLP will make capital contributions to the Partnership in the aggregate amounts and at the times shown below:

	Payment Conditions	Amount	%
1	Admission	\$1,004,067	20%
2	Later of 50% Construction Completion or April 1, 2022	\$1,255,084	25%
3	Later of 100% Construction Completion or October 1, 2022	\$1,004,067	20%
4	Latest of (i) 100% Initial Qualified Occupancy confirmed by tenant file review, (ii) submission of 8609 applications (acceptable to Boston Financial), (iii) Final Closing (defined below), (iv) Tax Credit Determination (defined below), (v) submission of cost certification (acceptable to Boston Financial) or (vi) January 1, 2023	\$1,506,101	30%
5	Latest of (i) the Stabilization Date (defined below), (ii) Receipt of 8609s or (iii) January 1, 2023	\$251,018	5%
<b>Total</b>		<b>\$5,020,337</b>	<b>100%</b>

The proposed amount of equity paid prior to construction completion is \$2,259,151. Installments are due only after the prior installment's conditions have been met. Installments may be adjusted based on actual or projected tax credit delivery schedules as prepared by the Partnership's Accountants pursuant to the adjusters outlined in Section 2.3 below.

## 2.3 Capital Adjusters

The installments of equity shall be subject to standard tax credit timing and steady state adjuster calculations subject to the availability of funds.

## 2.4 Development Fee

The Developer is projected to earn a total development fee of \$747,328 (“Development Fee”). The actual amount of the total Development Fee may increase subject to the approval of Boston Financial. Any Development Fee outstanding after payment of all Capital Contributions will be deferred (“Deferred Development Fee”). Payment of any Deferred Development Fee will be subject to available cash flow and may bear interest, if acceptable to Boston Financial, based on its review of tax implications associated with the fee. The Managing Member shall be obligated to pay any amount of outstanding Deferred Development Fee prior to the end of the thirteenth anniversary of the date the Property is placed in service.

## 3. Managing Member Obligations

The Managing and Guarantors will have the following obligations.

**3.1 Development Obligation.** The Developer is obligated to (i) deliver a completed, lien-free Property (including all final Certificates of Occupancy and an ALTA as-built survey), in accordance with the plans and specifications based upon fixed development costs including funding of Development Fee and all required reserves and (ii) arrive at Final Closing (as defined below). If the proceeds available are insufficient to pay all Eligible Development Costs, the Developer shall advance to the Partnership such funds as are required to pay such deficiencies through the latest of the date the Property achieves (i) the first anniversary of Completion, (ii) Final Closing, (iii) Stabilization Date, and (iv) the receipt of final Form 8609's from the allocating agency for each building in the Property (the “Development Obligation Date” or “DOD”). The Managing Member will be obligated to guaranty this obligation and any cost overruns, development deficiencies or loan conversion gaps not paid for by the Developer shall be paid by the Managing Member as development loans subject to such loans not creating a projected negative capital account or other material tax related issue throughout the Compliance Period, as determined by the Accountants, subject to reasonable review by Boston Financial, and will be repaid subject to available cash flow through the operating and sale or refinancing cash flow waterfalls.

“Final Closing” means the date upon which all of the following events have occurred: (i) the Completion Date, (ii) Permanent Mortgage Commencement, (iii) the Property being free of any mechanics’ or other liens (except for the Mortgages and liens either bonded against in such a manner as to preclude the holder thereof from having any recourse to the Property or the Partnership for payment of any debt secured thereby or affirmatively insured against (in such manner as precludes recourse to the Partnership for any loss incurred by the insurer) by the Title Policy (or by another policy of title insurance) issued to the Partnership

by an acceptable title insurance company in an amount satisfactory to Investor Tax Counsel (or by an endorsement of either such title policy)), (iv) the completion by the Accountants of a certified audit, approved by the Investor Limited Partner, of the Partnership's and the General Contractor's construction costs as a part of cost certification, (v) the agreement and acceptance of such cost certification by (a) Boston Financial and (b) by the Lenders to the extent required by the Lenders, (vi) the date of delivery to and acceptance by Boston Financial of an As-Built Survey, (vii) the disbursement of proceeds under the Mortgage Loans has been made in the full amount permitted by such cost certification, (viii) all amounts due in connection with the construction of the Property have been paid or provided for, and (ix) the full funding of any reserves required under the Mortgage Loan Documents and the Partnership Agreement (except for any reserves to be funded from future installments or other identified sources).

“Stabilization Date” means the first day following the three most recent consecutive calendar months commencing on or after the Completion Date, during each of which, as determined by the Accountants, subject to reasonable review by Boston Financial, the Property has achieved a Debt Service Coverage Ratio of 1.15x; provided, however, that if the Stabilization Date occurs prior to Final Closing, the Property will not be deemed to have achieved the Stabilization Date unless and until all other conditions to Final Closing have been satisfied.

“Tax Credit Determination” means the date the Accountants determine the amount of the Tax Credits, and determine that the Property satisfies the requirements of Section 42(h)(4) of the Code.

**3.2 Operating Obligation.** Commencing on the date of Admission, the Managing Member will be obligated to advance funds needed to cover operating deficits (including taxes, debt service, mortgage loan insurance, full replacement reserve funding acceptable to Boston Financial, and, after the DOD, normal repairs and necessary capital improvements) such that the Partnership has \$1 of surplus cash at all times. The Managing Member’s obligation will be unlimited through the end of the Compliance Period and such advances will not be reimbursed and treated as Special Capital Contributions prior to the DOD and subsequent to the DOD will be treated as Operating Expense Loans, which will bear no interest and will be repayable solely from future available cash flow or sale proceeds.

Notwithstanding the above, the Guarantor's guaranty of the Operating Obligation will be unlimited from Admission through the DOD. Commencing on the DOD said guaranty shall be limited to \$100,053 provided, however, in no event will such amount be less than six (6) months of OERDS. The Guarantor's guaranty of the Operating Obligation shall terminate upon the later of (i) the fifth anniversary of the DOD or (ii) the Property achieving a 1.15 DSCR as confirmed by audited financial statements, acceptable to Boston Financial, for the most recent fiscal year. Any operating deficits may be funded by the Operating Reserve prior to the Guarantors under the terms of its operating obligation guaranty. Funds drawn from the Operating Reserve will be replenished from available cash flow and must be fully replenished prior to the termination of the Guarantor's obligation.

**3.3 Repurchase Obligation.** The Managing Member will be obligated to repurchase BFLP's interest in the Partnership, for a price equal to 100% of the Net Capital Contribution payable to the Partnership less amounts not yet paid into the Partnership, plus 10% interest from Admission plus any interest or penalties from recapture, if (1) Final Closing of the mortgage loan is not achieved by the maturity date of the construction loan (subject to an extension if existing loan commitments are similarly extended), (2) an action is commenced to foreclose, abandon, or permanently enjoin construction of the Property, (3) the Property is disqualified from obtaining 30% or more of the tax credits, or (4) other significant issues occur

which materially impact BFLP's investment as agreed to in the Partnership Agreement. For a limited period of time, the Partnership will have an opportunity to cure any such problems.

**3.4 Compliance Obligation.** The Managing Member and Guarantors shall take any and all actions required to ensure that the Property will continue to qualify for low-income tax credits.

**3.5 Tax Credit Adjusters.** The Managing Member shall be obligated to fund the adjustments to the capital contributions resulting from a reduction in the tax credit amount as noted above.

**3.6 Management Rights.** The consent of Boston Financial will be required to: (a) sell or refinance the Property, (b) withdraw, admit, or substitute the Managing Member, or (c) sell, assign, encumber, or pledge the Managing Membership interests. In addition, (a) in the event the Managing Member files for bankruptcy, (b) if the Partnership or the Managing Member are in material default under their commitments and obligations, or

(c) in certain other circumstances, BFLP after reasonable notice and cure period will have the right to remove the Managing Member and substitute the Special Limited Partner or another affiliate of Boston Financial as a successor Managing Member with the powers of managing Managing Member.

**3.7 Managing Member Standard Obligations, Representations, and Warranties.** The Managing Member will be responsible for all customary Managing Member obligations and indemnifications and for the accuracy of all customary representations and warranties to the Partnership and BFLP. We have assumed that there are no existing environmental issues affecting the site or Property.

#### **4. Allocation and Distributions**

The tax credits, depreciation, and operating profits and losses of the Partnership shall be allocated 99.99% to BFLP and 0.01% to the Managing Member.

Cash flow from operations after payment of operating expenses, debt service, and funding of required replacement reserves shall be distributed as follows:

- First, to BFLP to pay its annual cumulative Priority Distribution (Asset Management Fee) of \$3,000;
- Second, to BFLP an amount equal to any unpaid tax credit shortfall payments;
- Third, to replenish amounts, if any, withdrawn from the Operating Reserve by the amount necessary such that the reserve is fully funded to its original balance until release of the operating deficit guaranty;
- Fourth, to the Developer as payment of the Deferred Development Fee;
- Fifth, to the Managing Member to repay any Operating Expense Loans; Sixth, 10% to BFLP, and
- Seventh, The balance to the Managing Member (first, as a Supervisory Management Fee not to exceed when combined with the Property Management Fee 12% of effective gross income), and thereafter, as a distribution).

Net proceeds of a sale or refinancing shall be distributed as follows:

- First, to discharge the debts and obligations of the Partnership;
- Second, to fund reserves for contingent liabilities to the extent deemed necessary by the General Partner;

- Third, to BFLP an amount equal to all federal, state and local taxes, including without limitation, income taxes, to be incurred by BFLP from the sale or refinancing;
- Fourth, to the Managing Member to repay any Operating Expense Loans; Fifth, to the repayment of any outstanding Deferred Development Fee;
- Sixth, to BFLP any unpaid cumulative annual Priority Distribution (Asset Management Fee)
- Seventh, to BFLP an amount equal to 111% of any theretofore unpaid Tax Credit Shortfall Payments;
- Eighth, \$10,000 to the Special Limited Partner;
- Ninth, 10% to BFLP, and
- Tenth, The balance to the Managing Member.

**Purchase Option:** During the 2-year period after the compliance period and provided the Managing Member is not in default, the Managing Member has the option (Purchase Option) to purchase the Property for an amount equal to the greater of FMV of the Property or all outstanding indebtedness secured by the Property plus (i) any unpaid Priority Distribution to BFLP (Asset Management Fees), (ii) any unpaid Tax Credit Shortfall Payments, and (iii) an amount of cash sufficient for BFLP to pay all exit taxes. The Property's operating reserves may be released upon a sale and applied to payment of the purchase price.

## **5. Reporting**

The Partnership shall furnish Boston Financial with quarterly unaudited financial statements. Annual audited financial statements and tax returns shall be prepared by an independent firm of certified public accountants, approved by Boston Financial, familiar with reporting requirements applicable to LIHTC properties under a timetable to be specified in the Partnership Agreement. Annual tax returns shall be provided by February 15<sup>th</sup> and annual audited financial statements by March 1st.

## **6. Due Diligence and Closing Process**

Upon receipt of an executed copy of this letter, the parties will agree upon a mutually acceptable due diligence period and closing schedule.

Boston Financial's decision to invest in the Partnership, the final terms of such investment and the admission of BFLP to the Partnership are subject to the satisfactory completion of Boston Financial's due diligence process, including without limitation, review and approval of the following due diligence items:

- a) Engineering. All related due diligence, including all plans and specifications, the construction budget, and related construction documents. If Property is to be rehabilitated this includes a Capital Needs Assessment, Replacement Reserve Analysis, and unit by unit inspection of 100% of the units, paid for by the Partnership, which will evaluate the construction scope of work, the construction documents and budget.
- b) Environmental. Phase I Environmental Report (ASTM E1527-13 Standards), the Phase II Environmental Report (if applicable), and completion of any work recommended therein. Boston Financial requires that all third-party reports provide reliance letters which are not limited in time or amount.
- c) Market Study. Boston Financial's market study, which will evaluate the Property's suitability and marketability as a LIHTC property, including review of rents, expenses, and the supportive services plan and funding sources (if applicable) and its feasibility of operations in the absence of its subsidy contract.

- d) Financial and Capacity Review. A satisfactory review by Boston Financial's Chief Credit Officer of 1) the audited financial statements of the Managing Member, Partnership, Developer, Guarantors, and affiliates, and 2) the Statement of Real Estate Owned by the Managing Member, Developer, Guarantors, and affiliates.
- e) Background and Credit Review. Backgrounds and credit worthiness of the Managing Member, Developer, Guarantors and if applicable the Property Management Agent, and General Contractor.
- f) Insurance. Receipt of a satisfactory insurance policy insuring against fire and other casualty in an amount equal to the full replacement cost of the Property. A combined single limit property damage and commercial general liability insurance policy in the amount of not less than \$1 million per occurrence/\$2 million aggregate with an umbrella policy of no less than \$3 million. The primary limits must be on a "per location" basis and the Investor Limited Partner, Special Limited Partner, and Partnership are to be Additional Insured by Endorsement.
- g) A financial projection by Boston Financial or its designee which demonstrates that the buildup of debt does not cause a bona fide debt issue.
- h) Receipt of satisfactory commitments and form loan documents for construction and permanent financing.
- i) Site inspection by Boston Financial.
- j) ALTA Owner's Policy of Title Insurance.
- k) Acceptable partnership and tax opinions.
- l) Satisfactory negotiation and execution of all legal documentation required to consummate the transactions contemplated by this LOC.
- m) Approval of the terms of the investment by Boston Financial's Capital Committee in its sole and absolute discretion and satisfaction of such other conditions as it may require.
- n) Accountants. The Partnership's accountants shall be either, The Tidwell Group, Novogradac & Co., LLP or CohnReznick (the "Accountants"). Any other accountant will require consent by Boston Financial in its sole and absolute discretion.

## **7. Confidentiality and Exclusivity**

The Managing Member, affiliates, and agents shall not disclose the terms of this LOC to any third party. The Managing Member acknowledges that Boston Financial will incur certain costs and expenses in connection with its due diligence review. Upon execution hereof, unless this LOC is otherwise terminated, the Managing Member, its affiliates and agents, agree that it will not continue to market the Property to any prospective investors nor will it accept any competing offers made by any prospective investors to invest in the Property.

## **8. Governing Law**

This agreement shall be construed and interpreted in accordance with the laws of The Commonwealth of Massachusetts, except for any rule of such laws which would make the law of another jurisdiction applicable. The parties hereby agree that any suit, action or other legal proceeding arising out of this agreement shall be brought in the applicable courts of Suffolk County of the Commonwealth of Massachusetts or the courts of the United States located in Boston, Massachusetts.

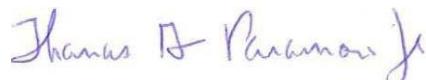
## **9. Acceptance and Term**

The consummation of this transaction is subject to satisfactory completion of the due diligence process, approval by Boston Financial's Capital Committee in its sole and absolute discretion, execution of all legal documentation to be drafted by Boston Financial's counsel and negotiated by the parties and satisfaction of other such conditions as may be required by BFLP. Boston Financial's obligations described in this LOC shall not become binding upon Boston Financial until Boston Financial and the ultimate investor have approved the investment in the Property and BFLP has been admitted to the Partnership upon terms and conditions described in the final closing documents approved by the parties and the investor. Developer, Managing Member and their affiliates forever waive and hereby release Boston Financial and its affiliates from any and all claims arising from the failure to consummate the transactions contemplated by this LOC, including, without limitation, any claims for detrimental reliance, breach of contract, promissory estoppel and/or specific performance.

If the Managing Member accepts and approves the terms, please have the authorized party so indicate by signing below. By executing this agreement, the Managing Member is confirming to Boston Financial that the Partnership and its affiliates and agents will undertake the transaction set forth herein with Boston Financial, will use their best efforts to meet the conditions set forth herein, and will suspend discussions with other parties with respect to their acquisition of this investment. This agreement may only be terminated if the conditions set forth herein are not met and such termination will be effective only upon the provision of written notice by Boston Financial. Further, if the admission of BFLP to the Partnership does not occur within 60 days of the Admission date specified in Section 1.2, BFIM has the right to terminate or reprice this transaction.

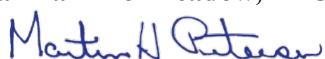
We look forward to working with you.

Sincerely,



Thomas Paramore  
Senior Vice President

AGREED & ACCEPTED:  
**Hallmark Foxmeadow, LLC**



By: Martin H. Petersen, Manager of the Managing Member

Date: October 10, 2020

# Attachment

13

**Not  
Applicable**

# Attachment

14

**Rural Development**

October 2, 2020

FL/USVI State Office

3070 Adora Teal Way

Suite C

Crestview, FL 32539

Voice: (850) 409-3380

Fax: (855) 473-8755

Mr. Martin H. Petersen  
 The Hallmark Companies, Inc.  
 3111 Paces Mill Road  
 Suite A-250  
 Atlanta, GA 30339

RE: Foxmeadow Apartments I (Foxmeadow Apartments, Ltd. USDA Borrower ID-814076615)  
 Foxmeadow Apartments II (Foxmeadow Apartments II, Ltd. USDA Borrower ID-708901105)

Mr. Petersen:

This letter is to provide information required to apply for funding from Florida Housing Finance Corporation for the rehabilitation/preservation of Foxmeadow Apartments I and Foxmeadow Apartments II. It is our understanding that Hallmark Foxmeadow, LLC intends to acquire the developments known as Foxmeadow Apartments I and Foxmeadow Apartments II and rehabilitate the property using the Low Income Housing Tax Credit program administered by Florida Housing Finance Corporation.

This letter is to confirm the following:

**1) Name of the Existing Developments:**

Site 1: Foxmeadow Apartments I  
 Site 2: Foxmeadow Apartments II

**2) Name of the proposed Development:** Foxmeadow Apartments

**3) Current RD Loan Balance:**

Site 1:	\$119,132.24
Site 2:	\$419,223.74
<b>Combined:</b>	<b>\$538,355.98</b>

**4) Acknowledge that the property is applying for Housing Credits – USDA Rural Development acknowledges that Foxmeadow Apartments (Hallmark Foxmeadow, LLC) is applying for Housing Credits from Florida Housing Finance Corporation.**

**5) Acknowledge that the properties will remain in the USDA/RD 515 loan portfolio-USDA Rural Development acknowledges that Foxmeadow Apartments (Foxmeadow Apartments I and Foxmeadow Apartments II) will remain in the USDA Rural Development 515 Loan Portfolio.**

If you have any questions regarding this matter, please contact Katrina Moseley at 352-338-3438 or email at [katrina.moseley@usda.gov](mailto:katrina.moseley@usda.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Katrina Moseley".

Katrina Moseley  
Multi-family Housing Program Director  
Florida State Office, Rural Development  
United States Department of Agriculture

# Attachment

15



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October 10, 2020

Mr. Martin H. Petersen  
Hallmark Foxmeadow, LLC  
3111 Paces Mill Road  
Atlanta, GA 30339

Re: Foxmeadow Apartments

Dear Mr. Petersen,

We are pleased to provide this letter of support for an equity bridge loan ("Loan") for the above referenced development. This letter of support from Bank OZK ("Bank") is made based upon the financial information and projections provided to us by you in support of your loan application, and under the following terms and conditions:

**Borrower:** Hallmark Foxmeadow, LLC or its Nominee ("Borrower"), a state of Florida limited liability company.

**Purpose:** To provide proceeds to acquire and rehabilitate Foxmeadow Apartments, an forty-four (44) unit multi-family affordable apartment development to be located at:  
Site 1-844 Glenwood Avenue, Chipley, Florida (24-units)  
Site 2-542 2nd Street, Chipley, Florida (20-units)

**Amount:** Up to a \$2,400,000 construction loan

**Maturity:** Construction loan to mature 24 months from loan closing

**Interest Rate:** The interest rate during the construction period will be the 30-day LIBOR Market Index Rate plus 250 BPS, with an interest rate floor of 5%.

**Fee:** The Borrower will pay a nonrefundable commitment fee of one percent (1.0%) of the construction loan amount at loan closing.

**Repayment:** Interest only paid monthly during the construction period with principal due at the earlier of stabilization or maturity.

**Disbursement**

**Conditions:** Construction loan shall be disbursed in accordance with approved monthly draw requests.

**Prepayment:** The facility may be pre-payable in whole or in part without penalty or premium.



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**Guarantors:** The Managing Member, the Developer(s), and other such entities acceptable to the Bank in its sole discretion will provide an unconditional guaranty of performance and full repayment.

**Security/Collateral:**

A first priority mortgage lien on the Property, and a first priority security interest in, or collateral assignment of, as applicable to all fixtures and equipment owned by the borrower, leases and rents, tax credits, project construction and architectural documents, grant funds, the Managing Members's rights and interests, and the borrower's capital contribution.

**Subordinate  
Debt:**

The terms of any additional subordinate debt are subject to review and approval of Bank in its sole discretion.

**Conditions to any funding:**

- Successful syndication closing of annual Low Income Housing Tax Credits from Florida Housing Finance Corporation that generates minimum total Federal equity contribution of \$5,020,337.
- Approval of the operating agreement between the Borrower and the Syndicator.
- The receipt, review & approval of standard due diligence items with other such conditions which are reasonable and customary for a loan of this nature and amount, including a site visit and inspections prior to closing. Such reviews & approval are to be acceptable to the Bank, in its sole discretion.

In addition, the Bank must receive and approve the following:

- Appraisal, ordered by Bank, or other third party acceptable to the Bank in its sole discretion, supporting a loan to value not to exceed 75%,
- Environmental and Soil Reports, acceptable to the Bank;
- Construction Consultant Plan and Cost Review, ordered by Bank;
- Final Project Budget, acceptable to the Bank;
- General Contractor and construction contract is subject to Lender approval. The Bank will be the beneficiary of a P&P Bond;
- Permitted Plans and Specifications;
- Insurance, acceptable to the Bank;
- Other third party reports or due diligence as deemed necessary for a project of this nature, in the Bank's sole discretion.

**COSTS:**

Borrower shall be responsible for and pay all costs, expenses and fees associated with this transaction regardless of whether the loan is approved by the Bank.

**DOCUMENTS:**

This commitment does not set forth all the terms and conditions of the facility offered herein which will be included in the Bank's loan documentation.



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**PATRIOT ACT NOTICE:**

To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For purposes of this section, account shall be understood to include loan accounts.

All third party beneficiary rights are expressly negated. No person who is not a party to this commitment shall have or enjoy any rights under this letter. No change, amendment or modification of this commitment shall be valid unless made in writing, addressed to the Borrower and signed by a duly authorized officer of the Bank.

The proposed terms and conditions presented herein are for discussion purposes only and do not constitute an agreement or commitment to lend. The actual terms and conditions upon which Bank OZK might extend credit to the borrower are subject to its satisfactory completion of due diligence, credit approval, satisfactory review of documentation and other such terms and conditions deemed necessary in its sole discretion.

Bank OZK wishes to thank you for the opportunity to consider the financing for this much needed housing development and we look forward to working with you on this transaction. Please do not hesitate to give me a call at (678) 293-1332 if I can be of further assistance.

A handwritten signature in blue ink that reads "Steven Bauhan".

---

*Steven Bauhan*  
Executive Vice President

A handwritten signature in blue ink that reads "Martin H. Petersen".

*Martin H. Petersen*  
Manager of the Managing Member of  
Hallmark Foxmeadow, LLC

**Rural Development**

October 2, 2020

FL/USVI State Office

3070 Adora Teal Way

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Crestview, FL 32539

Voice: (850) 409-3380

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Katrina Moseley  
Multi-family Housing Program Director  
Florida State Office, Rural Development  
United States Department of Agriculture