

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:

Elderly, Non-ALF

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

a. Applicant

(1) Name of Applicant

Franklin Senior Housing Limited Partnership

(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.?

Yes

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)

National Church Residences

[Click here to enter text.](#)

[Click here to enter text.](#)

- (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: Karen
Middle Initial: [Click here to enter text.](#)
Last Name: Mitchell
Management Company: National Church Residences
Street Address: 2335 North Bank Drive
City: Columbus
State: Ohio
Zip: 43220
Telephone: 407 608-0575 extension
E-Mail Address: kmitchell@nationalchurchresidences.org

(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: Matthew
Middle Initial: D.
Last Name: Rule
Organization: Franklin Senior Housing Limited Partnership
Street Address: 2335 North Bank Drive
City: Columbus
State: Ohio
Zip: 43220
Telephone: 614 273-3539 extension
E-Mail Address: mrule@nationalchurchresidences.org

(2) Operational Contact Person information (optional)

First Name: Sarah
Middle Initial: E.
Last Name: Branch
Organization: National Church Residences
Street Address: 2335 North Bank Drive
City: Columbus

State: Ohio
Zip: 43220
Telephone: 912 414-8240 extension
E-Mail Address: sbranch@nationalchurchresidences.org

4. General Proposed Development Information

- a. Name of the proposed Development

The Franklin House

- 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?

Yes

5. Location of proposed Development

- a. County: Lake

- b. Development Location

- (1) Address of Development Site:

2400 Kurt Street, Eustis, FL 32726

- (2) City of Development Site:

Eustis

c. Does the proposed Development consist of Scattered Sites?

No

d. Latitude and Longitude Coordinates

(1) Development Location Point

Latitude in decimal degrees, rounded to at least the sixth decimal place

28.831450

Longitude in decimal degrees, rounded to at least the sixth decimal place

-81.692506

(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:

[Click here to enter text.](#)

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?

No

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?

No

(b) Other Transit Services

Service	Latitude	Longitude	Distance (rounded up to the nearest hundredth of a mile)*
Public Bus Stop 1	<u>28.832965</u>	<u>-81.691699</u>	<u>0.12</u>
Public Bus Stop 2	Latitude Coordinates	Longitude Coordinates	Distance
Public Bus Stop 3	Latitude Coordinates	Longitude Coordinates	Distance
Public Bus Transfer Stop	Latitude Coordinates	Longitude Coordinates	Distance
Public Bus Rapid Transit Stop	Latitude Coordinates	Longitude Coordinates	Distance
SunRail Station, MetroRail Station, or TriRail Station	Latitude Coordinates	Longitude Coordinates	Distance

*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	Save-A-Lot	332 W. Ardice Ave. Eustis, FL 32726	<u>0.30</u>
Medical Facility	Sharon Nickell-Olm, MD - Family Medical Center	2000 Prevatt Street Eustis, FL 32726	<u>0.24</u>
Pharmacy	Walgreens	101 W. Ardice Ave. Eustis, FL 32726	<u>0.41</u>
Public School	Eustis Heights Elementary School	250 W. Atwater Ave. Eustis, FL 32726	<u>0.61</u>

*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: 46
- 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:

[Click here to enter text.](#) new construction units

[Click here to enter text.](#) 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>Enter Number</u> %	At or Below 25%
<u>Enter Number</u> %	At or Below 28%
<u>Enter Number</u> %	At or Below 30%
20 %	At or Below 33%
<u>Enter Number</u> %	At or Below 35%
<u>Enter Number</u> %	At or Below 40%
<u>Enter Number</u> %	At or Below 45%
<u>Enter Number</u> %	At or Below 50%
80 %	At or Below 60%
<u>100</u> %	Total Set-Aside Percentage

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

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

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>0 Bedroom/1 Bathroom</u>	<u>12</u>	<u>3</u>
<u>1 Bedroom/1 Bathroom</u>	<u>34</u>	<u>7</u>
Choose an item.	Enter Number	Enter Number
<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?

12

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

34

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

0

(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: 1

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)
 - o For all Development Types except Mid-Rise and High-Rise: Energy Star rating for all windows in each unit;
 - o For Development Type of Mid-Rise and High-Rise:
 - U-Factor of 0.50 or less and a SHHGC of 0.25 or less where the fenestration is fixed; and
 - U-Factor of 0.65 or less and a SHHGC 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): \$ 575,000

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: [Click here to enter text.](#)

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

No

If "Yes", provide the SADDA ZCTA Number(s): [Click here to enter text.](#)

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

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

No

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

Yes

If "Yes", indicate the HUD-designated QCT census tract number: 302.09

- (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
Click here to enter text	\$ Click here to enter text

- (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	Enter file No.	\$ Enter file No.
HOME-Rental	Enter file No.	\$ Enter file No.
MMRB	Enter file No.	\$ Enter file No.
EHCL	Enter file No.	\$ Enter file No.

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:

[Click here to enter text.](#)

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.

Wire ID 4642 Effective 10/14/2020 from the Account of National Church Residences

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.

Regarding Attachment 4, Applicant has provided the certificate of status for the Developer entity, National Church Residences. National Church Residences, an Ohio 501(c)(3) non-profit corporation is authorized to transact business in the State of FL as National Church Residences Corporation. The word "Corporation" was added to the title as a requirement by the Dept of State in order to identify it as a corporation. National Church Residences Corporation operates under the name National Church Residences.

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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)
46 Units

	1 HC ELIGIBLE COSTS	2 HC INELIGIBLE COSTS	3 TOTAL COSTS
DEVELOPMENT COSTS			
<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>2,532,400.00</u>	<u> </u>	<u>2,532,400.00</u>
Site Work	<u>100,000.00</u>	<u> </u>	<u>100,000.00</u>
*Other (explain in detail)	<u>27,600.00</u>	<u> </u>	<u>27,600.00</u>
A1.1. Actual Construction Cost	<u>\$ 2,660,000.00</u>	<u>\$ </u>	<u>\$ 2,660,000.00</u>
A1.2. General Contractor Fee <small>See Note (3)</small> (Max. 14% of A1.1., column 3)	<u>\$ 372,400.00</u>	<u>\$ </u>	<u>\$ 372,400.00</u>
A1.3. TOTAL ACTUAL CONSTRUCTION COSTS	<u>\$ 3,032,400.00</u>	<u>\$ </u>	<u>\$ 3,032,400.00</u>
A1.4. HARD COST CONTINGENCY <small>See Note (4)</small>	<u>\$ 303,990.00</u>	<u>\$ </u>	<u>\$ 303,990.00</u>

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	1 HC ELIGIBLE COSTS	2 HC INELIGIBLE COSTS	3 TOTAL COSTS
<i>General Development Costs</i>			
Accounting Fees	<u>7,500.00</u>	<u>15,000.00</u>	<u>22,500.00</u>
Appraisal	<u>6,000.00</u>		<u>6,000.00</u>
Architect's Fee - Site/Building Design	<u>121,296.00</u>		<u>121,296.00</u>
Architect's Fee - Supervision	<u>45,486.00</u>		<u>45,486.00</u>
Builder's Risk Insurance			
Building Permit	<u>65,000.00</u>		<u>65,000.00</u>
Capital Needs Assessment	<u>10,000.00</u>		<u>10,000.00</u>
Engineering Fees	<u>7,500.00</u>		<u>7,500.00</u>
Environmental Report	<u>7,500.00</u>		<u>7,500.00</u>
FHFC Administrative Fee ^{See Note (2)}	<u>51,750.00</u>		<u>51,750.00</u>
FHFC Application Fee ^{See Note (2)}		<u>3,000.00</u>	<u>3,000.00</u>
FHFC Compliance Fee ^{See Note (2)}		<u>223,899.00</u>	<u>223,899.00</u>
FHFC PRL/Credit Underwriting Fees ^{See Note (2)}		<u>14,612.00</u>	<u>14,612.00</u>
Green Building Certification/ HERS Inspection Costs			
*Impact Fees (list in detail)			
Inspection Fees	<u>21,516.00</u>		<u>21,516.00</u>
Insurance			
Legal Fees	<u>150,000.00</u>	<u>15,000.00</u>	<u>165,000.00</u>
Market Study	<u>6,000.00</u>		<u>6,000.00</u>
Marketing/Advertising			
Property Taxes			
Soil Test Report			
Survey	<u>15,000.00</u>		<u>15,000.00</u>
Tenant Relocation Costs	<u>69,000.00</u>		<u>69,000.00</u>
Title Insurance & Recording Fees	<u>75,000.00</u>		<u>75,000.00</u>
Utility Connection Fee			
*Other (explain in detail)	<u>119,000.00</u>	<u>1,500.00</u>	<u>120,500.00</u>
A2.1. TOTAL GENERAL DEVELOPMENT COST	\$ <u>725,798.00</u>	\$ <u>324,761.00</u>	\$ <u>1,050,559.00</u>
A2.2. SOFT COST CONTINGENCY ^{See Note (4)}	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

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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>45,000.00</u>	<u></u>	<u>45,000.00</u>
Construction Loan Credit Enhancement Fee(s)	<u></u>	<u></u>	<u></u>
Construction Loan Interest	<u>97,500.00</u>	<u>97,500.00</u>	<u>195,000.00</u>
Non-Permanent Loan(s) Closing Costs	<u></u>	<u></u>	<u></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>26,675.00</u>	<u></u>	<u>26,675.00</u>
A3. TOTAL FINANCIAL COSTS	\$ 169,175.00	\$ 97,500.00	\$ 266,675.00
<i>ACQUISITION COST OF EXISTING DEVELOPMENT (excluding land)</i>			
Existing Building(s)	<u>1,987,459.00</u>	<u></u>	<u>1,987,459.00</u>
*Other (explain in detail)	<u></u>	<u></u>	<u></u>
B. TOTAL ACQUISITION COSTS OF EXISTING DEVELOPMENT (excluding land)	\$ 1,987,459.00	\$ 	\$ 1,987,459.00
C. DEVELOPMENT COST (A1.3+A1.4+A2.1+A2.2+A3+B)	\$ 6,218,822.00	\$ 422,261.00	\$ 6,641,083.00
<i>Developer Fee See Note (1)</i>			
Developer Fee on Acquisition Costs	<u></u>	<u>317,993.00</u>	<u>317,993.00</u>
Developer Fee on Non-Acquisition Costs	<u>744,579.00</u>	<u></u>	<u>744,579.00</u>
D. TOTAL DEVELOPER FEE	\$ 744,579.00	\$ 317,993.00	\$ 1,062,572.00
E. OPERATING DEFICIT RESERVES See Note (5)	\$ 	\$ 	\$
F. TOTAL LAND COST	\$ 	\$ 139,032.00	\$ 139,032.00
G. TOTAL DEVELOPMENT COST See Note (6) (C+D+E+F)	\$ 6,963,401.00	\$ 879,286.00	\$ 7,842,687.00

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:

Smart WiFi Design

General Development Costs

(as listed at Item A2.)

Impact Fees:

Other:

ADA Envelope \$55,000; Investor and Lender Third Party Reports \$64,000; Organizational Costs \$1,500

Financial Costs

(as listed at Item A3.)

Other:

Loan Inspections \$12,000; Lender Plan and Cost Review \$7,500; Lender Loan Point Fees \$7,175

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 \$397,492) 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 \$4,975,942, as well as having \$140,624 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
A. Total Development Costs	<u>\$ 7,842,687.00</u>	
B. Construction Funding Sources:		
1. First Mortgage Financing	\$ <u>6,000,000.00</u>	Regulated Mortgage Lender
2. Second Mortgage Financing	\$ <u>131,733.00</u>	Seller Financing
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 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>784,796.00</u>	
12. Other: <u>GP Capital Contribution</u>	\$ <u>100.00</u>	
13. Other: _____	\$ _____	
14. Deferred Developer Fee	\$ <u>1,062,572.00</u>	
15. Total Construction Sources	<u>\$ 7,979,201.00</u>	
C. Construction Funding Surplus		
(B.15. Total Construction Sources, less A. Total Development Costs):	<u>\$ 136,514.00</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
A. Total Development Costs	\$ 7,842,687.00	
B. Permanent Funding Sources:		
1. First Mortgage Financing	\$ 2,707,866.00	Regulated Mortgage Lender
2. Second Mortgage Financing	\$ 131,733.00	Seller Financing
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	\$ 5,231,976.00	
12. Other: GP Capital Contribution	\$ 100.00	
13. Other: _____	\$ _____	
14. Deferred Developer Fee	\$ _____	
15. Total Permanent Funding Sources	\$ 8,071,675.00	
C. Permanent Funding Surplus		
(B.15. Total Permanent Funding Sources, less A. Total Development Costs):	\$ 228,988.00	(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? _____ Lake (Medium 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? _____ GardenDoes 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>\$7,842,687.00</u>
Less Acq. Cost of Existing Dev. (excluding land) - Existing Building(s)	_____ <u>\$1,987,459.00</u>
Less Land Acquisition Costs (Line F., column 3)	_____ <u>\$139,032.00</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>\$5,716,196.00</u>
TDC PU of the proposed Development for Limitation Purposes:	_____ <u>\$124,265.13</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 9.3.20; Approved 9.4.20**

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Franklin Senior Housing Limited Partnership**First Principal Disclosure Level:**[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

First Level Entity #	Select Type of Principal of Applicant	Enter Name of First Level Principal	Select organizational structure of First Level Principal identified
1.	General Partner	National Church Residences of Franklin, LLC	Limited Liability Company
2.	Investor LP	National Church Residences Investment Corporation	Non-Profit Corporation

Second Principal Disclosure Level:

Franklin Senior Housing Limited Partnership

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

Select the corresponding First Level Principal Entity # from above for which the Second Level Principal is being identified

Second Level Entity #	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
1.A.	Sole Member	National Church Residences	Non-Profit Corporation
1.B.	Manager	National Church Residences	Non-Profit Corporation

Third Principal Disclosure Level:

Franklin Senior Housing Limited Partnership

[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

Third Level Entity #	Select the type of Principal being associated with the corresponding Second Level Principal Entity	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.(1)	Executive Director	Ricketts, Mark R.	Natural Person
1.A.(2)	Officer/Director	Rule, Matthew D.	Natural Person
1.A.(3)	Officer/Director	Anderson, Lynn	Natural Person
1.A.(4)	Officer/Director	Vogel, Peter	Natural Person
1.A.(5)	Officer/Director	Russell, Deb	Natural Person
1.A.(6)	Officer/Director	Borders, Eric	Natural Person
1.A.(7)	Officer/Director	Moats, Jim	Natural Person
1.A.(8)	Officer/Director	Barney, Ginny	Natural Person
1.A.(9)	Officer/Director	Spalding, Jennifer	Natural Person
1.A.(10)	Officer/Director	Pavarini, Peter	Natural Person
1.A.(11)	Officer/Director	Doney, Tim	Natural Person
1.A.(12)	Officer/Director	Comfort, Greg	Natural Person
1.A.(13)	Officer/Director	Savage, Jim	Natural Person
1.A.(14)	Officer/Director	Davis, Terry, MD	Natural Person
1.A.(15)	Officer/Director	Overmyer, Greg	Natural Person
1.A.(16)	Officer/Director	Flowers, Mike	Natural Person
1.A.(17)	Officer/Director	Thompson, Mark	Natural Person
1.A.(18)	Officer/Director	Jones, Floyd	Natural Person
1.A.(19)	Officer/Director	Meeks, Janet	Natural Person
1.A.(20)	Officer/Director	Smoot, Barbara	Natural Person
1.A.(21)	Officer/Director	Maloney, Rob	Natural Person
1.A.(22)	Officer/Director	Pierce, Kenneth, Lifetime Trustee	Natural Person
1.A.(23)	Officer/Director	Blaine, William, Lifetime Trustee	Natural Person
1.A.(24)	Officer/Director	Norris, Michelle H.	Natural Person

Principal Disclosures for the Applicant**APPROVED for HOUSING CREDITS****FHFC Advance Review****Received 9.3.20; Approved 9.4.20**

<u>1.A. (National Church Residences)</u>	1.A.(25)	Officer/Director	DiMichele, Susan M.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(26)	Officer/Director	Hahn, Tanya K.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(27)	Officer/Director	Bodkin, Steven T.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(28)	Officer/Director	Willis, Danielle A.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(29)	Officer/Director	Weigand, John M.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(30)	Officer/Director	Anderson, Denise	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(31)	Officer/Director	Bain, Colleen M.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(32)	Officer/Director	Fox, Julie L.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(33)	Officer/Director	Fratianne, Julia A.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(34)	Officer/Director	Himes, June Douglas, III	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(35)	Officer/Director	Kelley, Megan	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(36)	Officer/Director	McDonnell, Kathleen M.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(37)	Officer/Director	Mettler, Brianna D.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(38)	Officer/Director	Meyung, Kelli	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(39)	Officer/Director	Ortlieb, Sarah Dalton	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(40)	Officer/Director	Rosenthal, Amy	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(41)	Officer/Director	Sanchez, Christina L.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(42)	Officer/Director	Spalsbury, Keith I.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(43)	Officer/Director	Speidel, Kimberly A.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(44)	Officer/Director	Tabit, Jr., George F.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(45)	Officer/Director	Vesey, Dougles K.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(46)	Officer/Director	Walker, Eric	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(47)	Officer/Director	Young, Cynthia Steen	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(48)	Officer/Director	Braniff, Tricia C.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(49)	Officer/Director	Brown, Sonya M.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(50)	Officer/Director	Pulh, Todd D.	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(51)	Officer/Director	Ridings, Sabrina	Natural Person
<u>1.A. (National Church Residences)</u>	1.A.(52)	Officer/Director	Gaulden, Jason	Natural Person

Principal Disclosures for the Developer**APPROVED for HOUSING CREDITS****FHFC Advance Review****Received 9.3.20; Approved 9.4.20**

How many Developers are part of this Application structure?

1

Select the organizational structure for the Developer entity:

The Developer is a: Non-Profit Corporation

Provide the name of the Developer Non-Profit Corporation:

National Church Residences**First Principal Disclosure Level:**

National Church Residences

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

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	Executive Director	Ricketts, Mark R.	Natural Person
2.	Officer/Director	Rule, Matthew D.	Natural Person
3.	Officer/Director	Anderson, Lynn	Natural Person
4.	Officer/Director	Vogel, Peter	Natural Person
5.	Officer/Director	Russell, Deb	Natural Person
6.	Officer/Director	Borders, Eric	Natural Person
7.	Officer/Director	Moats, Jim	Natural Person
8.	Officer/Director	Barney, Ginny	Natural Person
9.	Officer/Director	Spalding, Jennifer	Natural Person
10.	Officer/Director	Pavarini, Peter	Natural Person
11.	Officer/Director	Doney, Tim	Natural Person
12.	Officer/Director	Comfort, Greg	Natural Person
13.	Officer/Director	Savage, Jim	Natural Person
14.	Officer/Director	Davis, Terry, MD	Natural Person
15.	Officer/Director	Overmyer, Greg	Natural Person
16.	Officer/Director	Flowers, Mike	Natural Person
17.	Officer/Director	Thompson, Mark	Natural Person
18.	Officer/Director	Jones, Floyd	Natural Person
19.	Officer/Director	Meeks, Janet	Natural Person
20.	Officer/Director	Smoot, Barbara CONTINUED AT SECOND LEVEL	Natural Person

Second Principal Disclosure Level:

National Church Residences

[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 a #>
<Select a #>

<u>Second Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding First Level Principal Entity</u>	<u>Enter Name of Second Level Principal</u>
	Officer/Director	Maloney, Rob
	Officer/Director	Pierce, Kenneth, Lifetime Trustee
	Officer/Director	Blaine, William, Lifetime Trustee
	Officer/Director	Norris, Michelle H.
	Officer/Director	DiMichele, Susan M.
	Officer/Director	Hahn, Tanya K.
	Officer/Director	Bodkin, Steven T.
	Officer/Director	Willis, Danielle A.
	Officer/Director	Weigand, John M.
	Officer/Director	Anderson, Denise
	Officer/Director	Bain, Colleen M.
	Officer/Director	Fox, Julie L.
	Officer/Director	Fratianne, Julia A.
	Officer/Director	Himes, June Douglas, III
	Officer/Director	Kelley, Megan
	Officer/Director	McDonnell, Kathleen M.

Principal Disclosures for the Developer**APPROVED for HOUSING CREDITS****FHFC Advance Review****Received 9.3.20; Approved 9.4.20**

<Select a #>

Officer/Director	Mettler, Brianna D.	Natural Person
Officer/Director	Meyung, Kelli	Natural Person
Officer/Director	Ortlieb, Sarah Dalton	Natural Person
Officer/Director	Rosenthal, Amy	Natural Person
Officer/Director	Sanchez, Christina L.	Natural Person
Officer/Director	Spalsbury, Keith I.	Natural Person
Officer/Director	Speidel, Kimberly A.	Natural Person
Officer/Director	Tabit, Jr., George F.	Natural Person
Officer/Director	Vesey, Douglas K.	Natural Person
Officer/Director	Walker, Eric	Natural Person
Officer/Director	Young, Cynthia Steen	Natural Person
Officer/Director	Braniff, Tricia C.	Natural Person
Officer/Director	Brown, Sonya M.	Natural Person
Officer/Director	Pulh, Todd D.	Natural Person
Officer/Director	Ridings, Sabrina	Natural Person
Officer/Director	Gaulden, Jason	Natural Person

Attachment

1

Applicant Certification and Acknowledgement Form

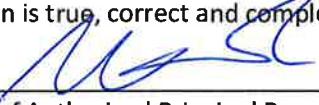
1. The Applicant and all Financial Beneficiaries have read all applicable Corporation rules governing this RFA and have read the instructions for completing this RFA and will abide by the applicable Florida Statutes and the credit underwriting and program provisions outlined in Rule Chapter 67-48, F.A.C. 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

Matthew D. Rule

Name (typed or printed)

SVP of Sole Member & Manager of Applicant's GP

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 FRANKLIN SENIOR HOUSING LIMITED PARTNERSHIP is a limited partnership organized under the laws of the State of Florida, filed on September 30, 2020.

The document number of this limited partnership is A20000000390.

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

I further certify that said limited partnership 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 Second day of October, 2020*




Laurel Lee
Secretary of State

Tracking Number: 1514105943CU

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

ATLANTA GA 39901-0001

In reply refer to: 0752861009
Nov. 03, 2014 LTR 4167C 0
31-0651750 000000 00
00017128
BODC: TE

NATIONAL CHURCH RESIDENCES
% JOSEPH R KASBERG SECRETARY TREASU
2335 N BANK DR
COLUMBUS OH 43220-5423



019927

Employer Identification Number: 31-0651750
Group Exemption Number: 5048
Person to Contact: Customer Service
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Oct. 23, 2014, request for information about your tax-exempt status.

Our records indicate that you were issued a determination letter in MAY 1962, and that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on the information supplied, we recognized the subordinates named on the list you submitted as exempt from Federal income tax under section 501(c)(3) of the Code.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106 and 2522 of the Code.

Because your subordinate organizations are not an organization described in section 170(c) of the Code, donors may not deduct contributions made to them. They should advise their contributors to that effect.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Kim D. Bailey
Operations Manager, AM Operations 3

Role of the Non-Profit Entity

National Church Residences, an Ohio 501(c)(3) non-profit corporation authorized to transact business in the State of Florida as National Church Residences Corporation ("National Church Residences"), is the sole member and manager of National Church Residences of Franklin, LLC, the General Partner of the Applicant. National Church Residences is also the Developer.

National Church Residences was founded in 1961 and specializes in senior housing with an emphasis on affordable housing. National Church Residences has extensive affordable housing experience including owning, managing and/or developing and providing services to over 338 properties located in 26 states, which includes over 22,000 units throughout the country.

As the owner of the General Partner of the Applicant and as the Developer, National Church Residences will materially and substantially participate in the development, management and operation of the Development, including, but not limited to, participation in:

- (i)** procurement of the financing sources,
- (ii)** selection of the construction and development team,
- (iii)** supervision of certain aspects of construction and leasing of the Development, and
- (iv)** supervision of the property and asset management functions and support services throughout the compliance period, housing credit extended use period and beyond.

Participation relating to the construction and development of The Franklin House will be performed by the Developer and participation relating to other matters will be performed by the General Partner of the Applicant.

The percentage of distribution of the developer's fee to National Church Residences will be 100%.

**National Church Residences
List of Board of Directors**

Name	Street	City	State	Zip Code
Lynn Anderson	2335 North Bank Drive	Columbus	OH	43220
Peter Vogel	2335 North Bank Drive	Columbus	OH	43220
Deb Russell	2335 North Bank Drive	Columbus	OH	43220
Eric Borders	2335 North Bank Drive	Columbus	OH	43220
Jim Moats	2335 North Bank Drive	Columbus	OH	43220
Ginny Barney	2335 North Bank Drive	Columbus	OH	43220
Jennifer Spalding	2335 North Bank Drive	Columbus	OH	43220
Peter Pavarini	2335 North Bank Drive	Columbus	OH	43220
Tim Doney	2335 North Bank Drive	Columbus	OH	43220
Greg Comfort	2335 North Bank Drive	Columbus	OH	43220
Jim Savage	2335 North Bank Drive	Columbus	OH	43220
Terry Davis, MD	2335 North Bank Drive	Columbus	OH	43220
Greg Overmyer	2335 North Bank Drive	Columbus	OH	43220
Mike Flowers	2335 North Bank Drive	Columbus	OH	43220
Mark Thompson	2335 North Bank Drive	Columbus	OH	43220
Floyd Jones	2335 North Bank Drive	Columbus	OH	43220
Janet Meeks	2335 North Bank Drive	Columbus	OH	43220
Barbara Smoot	2335 North Bank Drive	Columbus	OH	43220
Rob Maloney	2335 North Bank Drive	Columbus	OH	43220
Kenneth Pierce, Lifetime Trustee	2335 North Bank Drive	Columbus	OH	43220
William Blaine, Lifetime Trustee	2335 North Bank Drive	Columbus	OH	43220

UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE

I, Frank LaRose, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show NATIONAL CHURCH RESIDENCES, an Ohio not for profit corporation, Charter No. 303267, having its principal location in Columbus, County of Franklin, was incorporated on August 23, 1961 and is currently in GOOD STANDING upon the records of this office.



Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 19th day of September, A.D.
2019.

Ohio Secretary of State

UNITED STATES OF AMERICA,
STATE OF OHIO,
OFFICE OF SECRETARY OF STATE

I, Frank LaRose, Secretary of State of the State of Ohio, do hereby certify
that the paper to which this is attached is a true and correct copy from the original
record now in my official custody as Secretary of State.



Witness my hand and the seal of the
Secretary of State at Columbus, Ohio this
21st day of March, A.D. 2019.

Ohio Secretary of State

A handwritten signature in black ink, appearing to read "Frank LaRose".

Validation Number:
201908000806

**UNIFORM COMMERCIAL
CODE FILING 05755-0531**



CORPORATIONS FILING

CORPORATIONS ONLY



**EXPEDITE
SERVICE**



PICK-UP



MAIL

CORRESPONDENCE

PLEASE RETURN THE ATTACHED DOCUMENTS TO:

Bricker Eckler

NAME OF YOUR FIRM OR COMPANY

D. Hirshberg

ATTENTION

100 S. 3rd St. cols. OH.
43215

STREET, CITY, STATE, ZIP CODE

227-

TELEPHONE

RECEIVED

NUMBER

DEC 9 7 1998

UCC ONLY

BOB TAFT

MAIL

REGULAR MAIL

IF NOT CHECKED, IT WILL BE MAILED.

05755-0526



The State of Ohio

Bob Taft

Secretary of State

303267

Certificate

It is hereby certified that the Secretary of State of Ohio has custody of the Records of Incorporation and Miscellaneous Filings; that said records show the filing and recording of: AMA CHP CHL

of:

NATIONAL CHURCH RESIDENCES

United States of America
State of Ohio
Office of the Secretary of State



Recorded on Roll 5755 at Frame 0527 of
the Records of Incorporation and Miscellaneous Filings.

Witness my hand and the seal of the Secretary of State at
Columbus, Ohio, this 27TH day of DEC
A.D. 19 96

Bob Taft
Bob Taft
Secretary of State

05785-0527

303267
APPROVED
By
Date 12-27-96
Amount 35 -
File 122751861

**CERTIFICATE OF AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
NATIONAL CHURCH RESIDENCES.**

The undersigned, President of NATIONAL CHURCH RESIDENCES, an Ohio nonprofit corporation (the "Corporation"), does hereby certify that the following resolutions amending and restating the Articles of Incorporation of the Corporation were duly adopted at a meeting of the members of the Corporation duly called and held on December 12, 1996, at which meeting a quorum of the Members was present, by the affirmative vote of at least a majority of the Members present:

RESOLVED, that the Amended and Restated Articles of Incorporation attached hereto as Exhibit A are hereby adopted and approved to supersede and replace in their entirety the Articles of Organization of the Corporation and all prior amendments thereto; and

RESOLVED FURTHER, that the President, Secretary or other appropriate officers are authorized and directed to certify adoption of the foregoing resolution, to file such certificate with the Secretary of State, and to take all action necessary to effect the Amended and Restated Articles of Incorporation.

Dated: December 24, 1996

NATIONAL CHURCH RESIDENCES

Thomas W. Stemmer, President



05735-0393

EXHIBIT A

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
NATIONAL CHURCH RESIDENCES**

SECTION 1. NAME. The name of the Corporation shall be NATIONAL CHURCH RESIDENCES.

SECTION 2. PRINCIPAL OFFICE. The place in Ohio where the principal office of the Corporation is to be located shall be the City of Upper Arlington, Franklin County, Ohio.

SECTION 3. PURPOSES. The purposes for which the Corporation is formed shall be:

To operate exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (or any corresponding provision of any future United States internal revenue law, collectively referred to as the "Code").

To own, lease and manage housing, accommodations and other facilities and to provide services and care for the benefit of senior citizens and low income families, regardless of race, color, religion, national origin, age or handicap.

To engage in any lawful act, activity or business not contrary to and for which a charitable nonprofit corporation may be formed under Chapter 1702 of the Ohio Revised Code.

To have and exercise all powers, rights and privileges conferred by the laws of Ohio on nonprofit corporations, including, but not limited to, buying, leasing or otherwise acquiring and holding, using or otherwise enjoying and selling, leasing or otherwise disposing of any interest in any property, real or personal, of whatever nature and wheresoever situated, and buying and selling stocks, bonds, or any other security of any issuer as the Corporation by action of its Board may, at any time and from time to time, deem advisable.

SECTION 4. RESTRICTIONS. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers or other private person, except that the Corporation shall be authorized to pay reasonable compensation for services rendered, to make payments in furtherance of the purposes of the Corporation and to make distributions of assets upon dissolution as authorized in Chapter 1702 of the Ohio Revised Code. Notwithstanding anything to the contrary in these Amended and Restated Articles of Incorporation:

05755-0529

- (A) No substantial part of the activities of the Corporation shall be for carrying on propaganda, or otherwise attempting to influence legislation, except as otherwise provided in section 501(h) of the Code.
- (B) The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.
- (C) The Corporation may not engage in any activity which is not permitted to be engaged in by an organization exempt from federal income tax under section 501(c)(3) of the Code or to which charitable contributions may be deducted pursuant to sections 170, 2055 or 2522 of the Code.

SECTION 5. MEMBERS. The members of the Corporation shall be those persons or organizations described in the Code of Regulations as amended and in force from time to time.

SECTION 6. BOARD OF TRUSTEES. The Corporation shall be controlled and managed under the direction of a Board of Trustees ("Board") elected pursuant to and having such qualifications, duties, privileges and authority as described in the Code of Regulations as amended and in force from time to time.

SECTION 7. CERTAIN TRANSACTIONS. No person shall be disqualified from being a trustee of the Corporation because he or she is or may be a party to, and no trustee of the Corporation shall be disqualified from entering into, any contract or other transaction to which the Corporation is or may be a party. No contract, action or other transaction shall be void or voidable for reason that any trustee or officer or other agent of the Corporation is a party thereto, or otherwise has any direct or indirect interest in such contract, action or transaction or in any other party thereto, or for reason that any interested trustee or officer or other agent of the Corporation authorizes or participates in authorization of such contract, action or transaction, provided that:

- (A) The material facts as to such interest and as to the contract, action or transaction are disclosed or are otherwise known to the Board or applicable committee of the Board at the time the contract, action or transaction is authorized or approved and the trustees or the members of the committee, in good faith reasonably justified by the facts, authorize or approve the contract, action or transaction by at least a majority vote of the disinterested trustees or disinterested members of the committee, even though such disinterested trustees or members of the committee constitute less than a quorum; or
- (B) The material facts as to such interest and as to the contract, action or transaction are disclosed or are otherwise known to the Corporation's members entitled to vote on the contract, action or transaction at the time the contract, action or transaction is authorized or approved and the

05755-0500

Corporation's members authorize or approve the contract, action or transaction; or

- (C) The contract, action or transaction (i) is not less favorable to the Corporation than an arm's length contract, action or transaction in which no trustee or officer or other agent of the Corporation has any interest or (ii) is otherwise fair to the Corporation as of the time it is authorized or approved by the Board, a committee of the Board or the Corporation's members.

Any interested trustee may be counted in determining the presence of a quorum at any meeting of the Board or any committee thereof which authorizes or approves the contract, action or transaction.

SECTION 8. DISSOLUTION. Upon the dissolution of the Corporation, any assets remaining shall be conveyed to one or more organizations with a similar purpose to the Corporation as shall be selected by a majority vote of the Board; provided, that any such organization shall be exempt from federal income taxation under section 501(c)(3) of the Code.

SECTION 9. AMENDMENT. Any provision of these Amended and Restated Articles of Incorporation may be amended by the majority vote of the Corporation's members present at any meeting at which there is a quorum; provided, that such amendment shall be consistent with the applicable provisions of Chapter 1702 of the Ohio Revised Code.

SECTION 10. SUPERSEDE. These Amended and Restated Articles of Incorporation shall supersede and replace in their entirety the existing Articles of Incorporation and all prior amendments thereto.

Attachment

4

State of Florida

Department of State

I certify from the records of this office that NATIONAL CHURCH RESIDENCES CORPORATION is an Ohio corporation authorized to transact business in the State of Florida, qualified on March 14, 2008.

The document number of this corporation is F08000001150.

I further certify that said corporation has paid all fees due this office through December 31, 2020, that its most recent annual report/uniform business report was filed on April 16, 2020, and that its status is active.

I further certify that said corporation 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 Ninth day of September, 2020*




Lamont D. Keel
Secretary of State

Tracking Number: 5200559191CU

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

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

PRIOR GENERAL DEVELOPMENT EXPERIENCE CHART

Name of the Natural Person Principal with the Required Experience: Matthew D. Rule

Name of Developer Entity for which the above individual is a Principal: National Church Residences

Name of Development	Location (City & State)	Affordable Housing Program that Provided Financing (e.g., Housing Credits, Tax-Exempt Bonds, HOME, SAIL, etc.)	Total Number of Units	Year Completed
Abbey Church Village	Columbus, OH	Housing Credits, Tax-Exempt Bonds	160	2018
Landings of St. Andrew	New Port Richey, FL	Housing Credits, SAIL	196	2018
Valley Bridge	Toledo, OH	Housing Credits, Tax-Exempt Bonds, City HOME, HUD 231 Insured Loan	70	2019

Attachment

5

PRIOR GENERAL MANAGEMENT EXPERIENCE CHART

Name of Management Company or a Principal of the Management Company with the Required Experience:
NATIONAL CHURCH RESIDENCES

Name of Development	Location (City & State)	Currently Managing or Formerly Managed	Length of Time (Number of Years)	Total Number of Units
Avondale Senior Village	Dublin, Ohio	Currently Manage	8 years	100
Portage Trail Village TC	Cuyahoga Falls, OH	Currently Manage	29 years	112

Attachment

6



October 13, 2020

U. S. Department of Housing and Urban Development
Jacksonville Field Office
Charles Bennett Federal Building
400 West Bay Street
Suite 1015
Jacksonville, Florida 32202-4439

Franklin Senior Housing Limited Partnership
2335 North Bank Drive
Columbus, OH 43220

To Whom It May Concern:

Subject: The Franklin House ("Development")
Housing Assistance Payment Contract (HAP) No. FL29S931020

This letter is written in regards to your submittal of the above referenced Development as an Application to Florida Housing Finance Corporation under Request for Applications 2020-204, Housing Credit Financing for the Preservation of Existing Affordable Multifamily Housing Developments ("RFA 2020-204"). According to the requirements under RFA 2020-204 this letter will confirm the following information:

1. The name of the Development is **The Franklin House**;
2. The address of the Development is **2400 Kurt Street, Eustis, FL 32726-6286**;
3. The Development was built in the year **1989**;
4. **46 units currently receive Housing Assistance Payment (HAP);**
5. **46 units will receive a Housing Assistance Payment (HAP) if the Development is funded through RFA 2020-204;**
6. The HUD financing program originally associated with the Development was the HUD 202/Direct Loan. There is an existing HUD 223(f) associated with the Development;
7. The Development has not received financing from HUD after 1996 for any rehabilitation where the budget was at least \$10,000 per unit in any year.

We appreciate your efforts to provide subsidized housing within the State of Florida in accordance with HUD guidelines. If you have any question regarding this matter, please contact me at 904-208-6156 or by email at Charles.E.Jones@hud.gov

Sincerely,

CHARLES
JONES
Charles E. Jones
Account Executive
Jacksonville, Satellite Office

Digital signature of CHARLES JONES
Dated 10/13/2020 12:40:12
U.S. Department of Housing and Urban Development, Office of Housing
Date: 2020-10-13 12:40:12-04:00

HUD's mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all.

Attachment

7

**Not
Applicable**

Attachment

8

FLORIDA HOUSING FINANCE CORPORATION
Site Control Certification Form

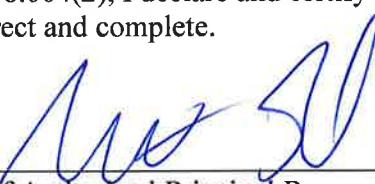
As of the Application Deadline for this RFA, the Applicant entity _____
Franklin Senior Housing Limited Partnership

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.


Signature of Authorized Principal Representative

Matthew D. Rule

Name (typed or printed)

SVPof Sole Member & Manager of Applicant's GP
Title (typed or printed)

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

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of October 15, 2020, by and between NATIONAL CHURCH RESIDENCES OF LAKE COUNTY, FL., INC., a Florida nonprofit corporation, with an address of 2335 North Bank Drive, Columbus, Ohio (hereinafter "Seller"), and FRANKLIN SENIOR HOUSING LIMITED PARTNERSHIP, a Florida limited partnership, or its designees, nominees, or assigns, or combination thereof, with an address of 2335 North Bank Drive, Columbus, Ohio 43220 (hereinafter "Buyer").

RECITALS

A. Seller is the owner of a forty-six (46) unit housing facility for low income elderly residents located and operating in a location in Lake County, Florida (the "Building"), on the real property described in the attached Exhibit "A"(the "Real Estate"), which is incorporated by reference herein.

B. Seller is the title owner of certain tangible and intangible personal property that comprise and are necessary for the proper and efficient operation of the Building (the "Operating Assets")

C. Subject to the terms of this Agreement, Seller desires to sell, transfer and convey to Buyer, and Buyer desires to purchase and acquire from Seller, the Building, the Real Estate, and the Operating Assets (collectively, the "Facility").

AGREEMENT

In consideration of the foregoing recitals, and of the mutual covenants and agreements set forth herein, the parties hereto, intending to be legally bound, agree as set forth below.

ARTICLE I
PURCHASE AND SALE OF ASSETS

1.1 **Description of Purchased Assets.** Seller agrees to sell, assign, transfer and deliver to Buyer, and Buyer agrees to purchase and accept from Seller at Closing (as hereinafter defined), all of Seller's interest in the Building, the Real Estate, and the Operating Assets (the "Assets") of the Facility. The Assets include, without limitation, the following:

- (a) the Real Estate described in Exhibit A;
- (b) all easements and other rights appurtenant to the Real Estate (the "Appurtenant Rights");

- (c) the Building and all other structures, improvements, and fixtures located on the Real Estate (the "Improvements") (the Real Estate, Appurtenant Rights, and Improvements being hereinafter referred to as the "Real Property");
- (d) all Operating Assets, including but not limited to certain motor vehicles, computer equipment, and any other property;
- (e) the right to use the trade name "The Franklin House" and all trademarks, service marks, copyrights, and applications relating to the Facility (the "Intangibles");
- (f) all marketing and promotional materials, employee records, credit files, and other records and reports used in the Facility and relating to the Assets;
- (g) all leases and contracts relating to the Facility;
- (h) all prepaid advertising and other prepaid items;
- (i) all accounts and notes receivable of Seller and the proceeds thereof relating to the Facility, including all reserve accounts, which shall be transferred to Buyer for no additional consideration;
- (j) all policies of insurance;
- (k) Facility cash on hand and in banks, cash equivalents, and certificates of deposit as of the Closing date;
- (l) all other assets directly related to the operation of the Facility.

1.2 Inventory. Prior to the Closing date, Seller shall prepare an inventory of all tangible personal property (including office supplies) contained in or used in connection with the Facility (the "Inventory"). Prior to Closing, Seller shall maintain the Inventory at substantially the same levels of quantity and quality as disclosed in the Inventory.

ARTICLE II
PURCHASE PRICE

2.1 Purchase Price. Subject to adjustment and proration as provided in Section 4.4 below, and subject to the indemnification provisions of Article XIII below, the purchase price ("Purchase Price") to be paid by Buyer for the Assets shall be Two Million One Hundred Twenty-Six Thousand Four Hundred Ninety-One and No/100 Dollars (\$2,126,491.00)

2.2 Payment of Purchase Price. The Purchase Price shall be payable as follows:

(a) Upon execution of this Agreement by the Seller, the Buyer shall deliver to the Seller the sum of Five Thousand and No/Dollars (\$5,000.00) as an earnest money deposit (the "Deposit"). At Closing, the Deposit shall be credited and applied against Seller's closing costs and expenses. In the event of any default under this Agreement, the Deposit shall be paid over in accordance with Section 11.1 below.

(b) At Closing, Buyer shall provide the Seller with a note in the amount of One Hundred Thirty-One Thousand Seven Hundred Thirty-Three and No/100 Dollars (\$131,733.00) containing such terms and conditions as are reasonably acceptable to Buyer and Seller ("Seller Note"). The Seller Note shall be secured by a subordinate mortgage and shall mature approximately 42 years from closing. The Seller Note shall be credited against the Purchase Price.

(c) At Closing, Buyer shall pay all of Seller's closing costs and expenses, less the Deposit and any credits from prorations set forth in Section 4.4 below.

2.3 Assumed Liabilities. Except as expressly provided herein, Buyer shall not assume or in any way be liable or responsible for any claims, obligations, debts, lawsuits, or other liabilities of any kind or character relating to Seller or the Facility prior to the Closing, including without limitation:

(a) Any claims asserted by present or former residents, or tenants of the Facility or employees of Seller, including malpractice claims, or any other claims based on acts or omissions occurring on or before the Closing date;

(b) Any deficiencies in tenant security deposits;

(c) Any amounts owed under any pension, retirement, incentive, bonus, profit-sharing, vacation, holiday, or other plans or policies for the benefit of any employees of Seller (except that Buyer may, at its option, conform its vacation pay policy to Seller's current employment anniversary policy with respect to any employees of Seller who may be hired by Buyer);

(d) Any other accounts payable, employment or other taxes, or other obligations or liabilities of Seller whatsoever.

Notwithstanding the foregoing, in addition to the Mortgage, from and after the Closing date, Buyer shall assume and shall pay, perform, and discharge only the following liabilities and obligations of the Facility existing on and as of the Closing date (the "Assumed Liabilities"):

(i) all obligations under leases, including any obligations to refund security deposits identified therein;

- (ii) the obligations of Seller under the contracts with respect to performance that becomes due thereunder subsequent to the Closing date; and
- (iii) other obligations and liabilities of Seller.

ARTICLE III TRANSFER OF REAL ESTATE

3.1 Title. Buyer shall obtain a current commitment (the "Title Commitment") for an ALTA Form B owner's title insurance policy for the Real Property (the "Title Policy") in an aggregate amount equal to the Purchase Price, issued by Hughes White Kralicek, P.C., or any other title company acceptable to the Buyer (the "Title Company"), which Title Commitment shall include a copy of each document relating to title exceptions referred to in the Title Commitment. The Title Commitment shall show that Seller has marketable fee simple title to the Real Property, subject only to the exceptions to title (the "Approved Title Exceptions"). The Title Commitment shall be updated immediately prior to Closing as required by Buyer. The parties shall cooperate so as to cause the Title Company to issue the Title Policy, in form and content acceptable to Buyer, on or as soon as possible after the Closing date. All costs and expenses related to the Title Commitment and Title Policy shall be borne by Buyer as part of Seller's closing expenses, which Buyer agrees to pay. Any title exceptions not permitted hereunder shall be deemed "Unapproved Title Exceptions." Buyer shall notify Seller within five (5) days after receipt of the Title Commitment if title to the Real Property is subject to any Unapproved Title Exception to which Buyer objects or if the Title Commitment is not in form or does not contain such coverage as is acceptable to Buyer. If Buyer notifies Seller of any Unapproved Title Exceptions or any objection to form or coverage of the Title Commitment, Seller shall, within thirty (30) days after receipt of such notice, cure or remove such Unapproved Title Exceptions or obtain changes in the form or coverage of the Title Commitment (with Buyer's consent and at Seller's cost); and in such case, the Closing date shall be extended such reasonable time as Seller may require to cure or remove such Unapproved Title Exceptions or modify such form or obtain such coverage. If Seller fails to cure or remove any Unapproved Title Exceptions or modify such form or obtain such coverage within such period, Buyer shall either (x) accept title to the Real Property subject to such Unapproved Title Exceptions with such coverage as is provided by the unmodified Title Commitment and Title Policy, without reduction of the Purchase Price (in which event such Unapproved Title Exceptions shall be deemed Approved Title Exceptions); or (y) terminate this Agreement by written notice to Seller, and Buyer and Seller shall be discharged from all further obligations hereunder.

3.2 Property Condition. Prior to the Closing, Buyer and its designated representatives shall be permitted, upon reasonable notice and during regular business hours, to enter upon the Real Property and, at its own expense, to conduct such investigations and tests of the Real Property and to inspect the other Assets as it deems necessary. Prior to the Closing, Seller shall reasonably cooperate with and provide representatives knowledgeable about the Facility to provide information to Buyer concerning the Facility, as provided in Section 7.1 below. Buyer shall use its best efforts to avoid damage to the Real Property, shall return the Real Property to substantially the same condition as existed prior to any such investigation or inspection, and shall

indemnify, defend, and hold Seller harmless from any damages incurred by Seller as a result of any such investigation or inspection.

ARTICLE IV
CLOSING

4.1 Closing. The transaction contemplated by this Agreement shall be effective as of the date of execution by both parties hereto. The consummation of the sale of the Assets to Buyer (the "Closing") shall take place on or before December 31, 2021 (or such later date as is specifically permitted under Sections 3.1, 7.5, or 10.1 of this Agreement), at Seller's offices in Palmetto, Florida, or such other time and place as shall be mutually agreeable to the parties. In the event this transaction has not been closed on or before December 31, 2021 then either party may elect to terminate this Agreement by giving written notice to the other, in which event Buyer's Deposit shall be returned within ten (10) days thereafter and neither party shall have any further obligation to the other.

4.2 Closing Documents. The parties will execute and deliver or cause to be delivered to one another, at Closing, all instruments and documents reasonably necessary for the transfer to Buyer of the Assets to be purchased hereunder, such instruments and documents to be in form reasonably acceptable to Buyer and to include the following:

- (a) A limited warranty deed in recordable form conveying title to the Real Property (the "Deed");
- (b) A bill of sale conveying all Assets free from claims, liens, security interests, and encumbrances other than the Mortgage and the Assumed Liabilities;
- (c) An assignment to Buyer, in form satisfactory to Buyer, of the Intangibles;
- (d) An assignment of the permits and licenses;
- (e) Such other instruments of sale and assignment as may be necessary to effectuate the sale and transfer of any other Assets contemplated by this Agreement, including necessary consents of third parties;
- (f) A copy of the resolutions of the Board of Trustees and members of Seller approving the execution and delivery of this Agreement and consummation of the transactions contemplated hereby, duly certified by an officer of Seller;
- (g) Seller's certificate as to the continued accuracy of Seller's representations and warranties, as provided in Section 8.1 below;
- (h) The opinion of Seller's counsel, as provided in Section 8.3 below;

(i) Buyer's certificate as to the continued accuracy of Buyer's representations and warranties, as provided in Section 9.1 below;

(j) The opinion of Buyer's counsel, as provided in Section 9.2 below.

4.3 Closing Costs. Buyer shall pay all of Seller's closing costs, in an amount not to exceed Fifty Thousand and No/100 Dollars (\$50,000.00). In addition, Buyer shall pay all recording fees or costs, any soil or environmental testing and engineering expenses incurred by Buyer, and its own attorneys' fees.

4.4 Prorations. All receipts and disbursements relating to the Facility shall be prorated as of the Closing date, and the Purchase Price shall be adjusted, on the following basis:

(a) Facility Rents. All tenant charges or rents receivable from or with respect to tenants of the Facility earned and attributable to the period prior to the Closing date shall be retained by or credited to Seller or Buyer as required by HUD rules and regulations governing this transaction.

(b) Tenant Deposits. At Closing, Seller shall pay or credit to Buyer an amount equal to any escrow monies, tenant security or other tenant deposits. Buyer shall be responsible for the ultimate return or other disposition of any such deposits.

(c) Accounts Payable; Property Taxes. In consideration of Seller's transfer to Buyer of the operating bank accounts, Buyer shall assume and pay as they fall due all accounts payable, accrued expenses, and property taxes.

4.5 Possession. Possession of the Facility shall be delivered to Buyer on the Closing date, subject to the rights of the tenants under the Leases.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

5.1 Organization and Good Standing. Seller is a nonprofit corporation duly incorporated, validly existing, and in good standing under the laws of the State of Florida and has all requisite corporate power and authority to enter into this Agreement, carry out and perform the terms and provisions of this Agreement, carry on its business as now being conducted, and own, lease or operate its properties in the place where the Facility is located.

5.2 Corporate Authorization. At least ten (10) days prior to the Closing, Seller shall have obtained all requisite member and director approvals and consents for the execution and delivery of this Agreement and the transactions contemplated hereby. At Closing, this Agreement shall have been duly and validly authorized, executed and delivered by Seller and shall be a legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms, subject to (a) the application of bankruptcy, insolvency, reorganization, moratorium, or other laws of general application affecting the enforcement of creditors' rights in general; (b) general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity); and (c) statutes, rules or procedures and applicable case law limiting the availability of, or prescribing procedural requirements for, the exercise of certain remedies.

5.3 No Legal Obstacle to Agreement. The execution, delivery, and performance of this Agreement, the consummation of any transactions herein referred to or contemplated, and the fulfillment of the terms hereof do not in any material respect conflict with, or result in a material breach or violation of, or constitute a material default under (a) the Articles of Incorporation, Bylaws or Code of Regulations of Seller, (b) any applicable law or regulation, (c) any judgment, order or decree binding upon Seller or upon the Facility, or (d) any applicable lease, mortgage or other material contractual obligation to which Seller or the Facility is bound.

5.4 Title. Seller has good and marketable title to the Real Property and the other Assets and full right and authority to transfer to Buyer such Assets, free and clear of all claims, liens, security interests, and encumbrances except for the Approved Title Exceptions.

5.5 Consents. There is no contract, agreement, understanding, or other arrangement, written or oral, to which the Seller is a party and by which Seller is bound, which limits Seller's rights to transfer the Assets.

5.6 Litigation. There are no outstanding judgments or decrees against Seller, and there is no litigation or other judicial or administrative proceeding pending or, to the best of Seller's knowledge, threatened which would prohibit, restrict, or have an adverse effect on Buyer's acquisition of the Assets, or Buyer's reasonable operation thereof in the manner in which they are currently being operated.

5.7 Licenses and Permits. Except as previously disclosed by Seller, the Seller has obtained all certificates of need, licenses, accreditations, permits, and other authorizations required by any federal, state or local governmental body or authority for the conduct of its business and will utilize its best efforts to transfer and assign all licenses and permits as may lawfully be transferred and assigned to Buyer, effective as of the date of Closing. Seller shall deliver to Buyer true and correct copies of all such licenses and permits. The Facility is not in violation of any term or provision of any license or permit.

5.8 Compliance with Law. The Real Property is zoned in a category sufficient to permit the operation of the Facility and is not and does not operate, in violation of any federal, state or local code, law, regulation or ordinance including, without limitation, all zoning and building restrictions and ordinances, and all fire and health codes.

5.9 Environmental. To the best of Seller's knowledge, the Real Property is in compliance with all laws, regulations, and orders of any governmental agency relating to environmental protection, sanitation, and pollution control (including, without limitation, all laws or regulations relating to the storage or disposal of potentially infectious waste, blood-contaminated materials, or other wastes generated in the course of operation of the Facility, the Comprehensive Environmental Response Compensation and Liability Act (the Superfund law), 42 U.S.C. Sections 9601-9657, the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.*, and any applicable state and local laws). To the best of Seller's knowledge, there were and are no toxic or hazardous materials (as listed in the United States Department of Transportation Hazardous Materials Table, 49 C.F.R. Section 172.101) on or under the Real Property.

5.10 Contracts. Seller is not a party to or otherwise bound by any written or oral contract not made in the ordinary course of business, other than the Assumed Liabilities. The Assumed Liabilities are terminable at any time by Seller. The Assumed Liabilities will be not more than thirty (30) days past due as of the Closing date.

5.11 Leases. Seller has not collected any rent under the Leases for a period of more than one (1) month in advance. Prior to Closing, no security deposits will be increased or collected from tenants under the Leases.

5.12 Financial Statements; Tax Returns. The financial statements heretofore provided by Seller to Buyer and all other balance sheets, statements of income and changes in financial position, tax returns, and other financial documents relating to the Facility are true and accurate in all material respects, and there has not been any material adverse change in the condition (financial or otherwise), assets, properties, or operations of Seller or the Facility. Seller has filed all federal, state, and local income, property, and other tax returns required to be filed by it and has paid all taxes shown to be due thereon.

5.13 HUD Reports. Seller is not in violation (and has received no notice of any alleged violation) of any law, regulation, or policy relating to tenant housing or cost reimbursement issued by HUD, the State of Florida, or other third party payor. At least thirty (30) days prior to Closing, Seller shall have delivered to Buyer true and correct copies of all HUD reports relating to the Facility since its inception, if any. The information contained in such reports shall be true and correct in all material respects.

5.14 Condition of the Facility. The Facility has been completed in substantial compliance with such plans and specifications as were submitted to Buyer and to all governmental agencies having jurisdiction over the Facility. The Real Property (and all component systems therein, including without limitation, the heating, ventilating, and air conditioning systems, and plumbing, electrical, mechanical, and drainage systems) is in good condition, repair, and working order for use as a senior independent living facility, ordinary wear and tear excepted. To the best of Seller's knowledge, the Facility is free from termites, wood-boring insects, and all other pests. All water, sewer, gas, electric, and drainage facilities serving the Facility are, to the best of the Seller's knowledge, (a) installed to the boundary lines of the Real Property, (b) connected with valid permits, and (c) adequate to permit normal usage of the Facility.

5.15 Labor Matters. None of the employees at the Facility is represented by any union or other collective bargaining representative. There has not been, nor is there threatened or contemplated, any strike, slowdown, picketing, or work stoppage by any employee at the Facility, any lockout of any employees, or any labor trouble or other occurrence of a similar character affecting, or that may materially affect, the operation of the Facility or the Assets. All existing written and oral contracts of employment between Seller and the employees at the Facility shall be terminated effective as of the Closing date.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

6.1 Organization and Good Standing. Buyer is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Florida and has all requisite power and authority to enter into this Agreement, carry out and perform the terms and provisions of this Agreement, carry on its business as now being conducted, and own, lease, or operate its properties in the places where such properties are now owned, leased, or operated.

6.2 Partnership Authorization. At least ten (10) days prior to the Closing, Buyer shall have obtained all requisite partner approvals and consents for the execution and delivery of this Agreement and the transactions contemplated hereby. At Closing, this Agreement shall have been duly and validly authorized, executed and delivered by Buyer and shall be a legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with its terms, subject to (a) the application of bankruptcy, insolvency, reorganization, moratorium, or other laws of general application affecting the enforcement of creditors' rights in general; (b) general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity); and (c) statutes, rules or procedures and applicable case law limiting the availability of, or prescribing procedural requirements for, the exercise of certain remedies.

6.3 No Legal Obstacle to Agreement. The execution, delivery, and performance of this Agreement, the consummation of any transactions herein referred to or contemplated, and the fulfillment of the terms hereof do not in any material respect conflict with, or result in a material breach or violation of, or constitute a material default under (a) the Certificate of Limited Partnership or Partnership Agreement of Buyer, (b) any applicable law or regulation, (c) any judgment, order or decree binding upon Buyer, or (d) any applicable lease, mortgage or other material contractual obligation to which Buyer is bound.

ARTICLE VII
CONDUCT PRIOR TO THE CLOSING

Buyer and Seller covenant that from the date of this Agreement until Closing:

7.1 Access to Information. Seller shall give to Buyer and its counsel, accountants and other authorized representatives reasonable access, during normal business hours throughout the period prior to the Closing, to all of the properties, books, contracts, business plans, commitments and records of the Facility, and shall furnish all such information concerning Seller's business and properties related to the Facility as Buyer may reasonably request.

7.2 Conduct of Business in Normal Course. Seller will carry on its business related to the Facility in the same manner as it has been carried on and operated in the past. Seller will enter into no new contracts relating to the Facility which are not terminable at will except for new leases with tenants of the Facility, in standard form, which require no security deposits.

7.3 Preservation of Business and Relationships. Seller will use its best efforts, without making any commitments on behalf of Buyer, to preserve its business organization intact, and to preserve good relationships with employees, suppliers, customers, and others having business relationships with the Facility.

7.4 Maintenance of Insurance. Seller will continue to carry its existing insurance up to and including the Closing date, subject to variations in amounts required by the ordinary operations of his business.

7.5 Governmental Filings. Each of the parties will use its best efforts to, as promptly as possible, make such filings, provide such additional information, and take such additional actions, and cooperate with the other party in making such filings, providing such additional information, and taking such additional actions, as may be required of such party by any federal, state, or local agency in connection with the consummation of the transactions contemplated by this Agreement and as may be necessary to cause all waiting periods required by said agencies to pass as promptly as possible. If any such waiting period has not expired by the Closing date, the Closing date may be extended to such later date as may be reasonably required by Buyer or Seller to permit such waiting period to expire.

ARTICLE VIII CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

Unless waived in writing by Buyer, in its sole discretion, all obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

8.1 Representations, Warranties and Covenants. Each representation and warranty of Seller contained in this Agreement shall be true and correct in all material respects at and as of the date of Closing; Seller shall have in all material respects performed each obligation and complied with each covenant required by this Agreement to be performed or complied with by it on or prior to the Closing; and Buyer shall have received from Seller a certificate dated as of the Closing date to the foregoing effect.

8.2 No Adverse Proceedings. No material suit, action or other proceeding against Seller, Buyer, or the Facility shall be pending or threatened before any court or governmental agency seeking to restrain or prohibit, or to obtain damages or other

relief in connection with, this Agreement or the transactions contemplated hereby and which, in the reasonable judgment of Buyer, makes the consummation of the transactions contemplated by this Agreement inadvisable.

8.3 Opinion of Seller's Counsel. Buyer shall have received an opinion of counsel for Seller reasonably satisfactory to Buyer,

8.4 Intentionally Deleted.

8.5 Third Party Reports. Buyer shall have received, at its own expense, written reports in form and substance reasonably acceptable to Buyer, from one or more qualified engineering firms of Buyer's choice concerning (a) the presence of hazardous substances, asbestos, radon, urea-formaldehyde insulation, or other environmental contamination on or under the Real Property; and (b) the physical soundness, structural integrity, and operating condition of the Improvements and all component systems therein. If any defects or conditions not acceptable to Buyer are reported in any such reports, then Buyer shall have the option of terminating this Agreement upon written notice to Seller.

8.6 Financing. The Buyer shall have no right upon any breach by the Seller hereunder to seek damages, directly or indirectly, from the Facility which is the subject of this transaction, including from any assets, rents, issues or profits thereof; and Buyer shall have no right to effect a lien upon the Facility or the assets, rents, issues or profits thereof.

ARTICLE IX CONDITIONS TO SELLER'S OBLIGATIONS

Unless waived in writing by Seller, in its sole discretion, all obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

9.1 Representations, Warranties and Covenants. Each representation and warranty of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the date of Closing; Buyer shall have in all material respects performed each obligation and complied with each covenant required by this Agreement to be performed or complied with by it on or prior to the Closing; and Seller shall have received from Buyer a certificate signed by Buyer and dated as of the Closing date to the foregoing effect.

9.2 Intentionally Deleted.

ARTICLE X RISK OF LOSS

10.1 Damage or Other Casualty to the Assets. Risk of loss to the Facility or any Asset from fire or other casualty shall be borne by Seller until Closing. In the event of material damage to or destruction of all or any part of the Assets (as defined

in Section 10.3 below) prior to the Closing date, Seller shall, within ten (10) days after such material damage or destruction, notify Buyer thereof. Buyer shall then have the option to terminate this Agreement by giving written notice to Seller within ten (10) days after such notice from Seller. If Buyer shall so elect to terminate this Agreement, or if the Mortgage Company shall not consent to the use of all insurance proceeds collectible by reason of such damage (the "Proceeds") to make all repairs reasonably necessitated by such casualty, then Seller and Buyer shall be relieved and released from any further liability hereunder. If Buyer shall not elect to terminate this Agreement upon any such material damage or destruction and if the Mortgage Company so consents, then (a) this Agreement shall continue, (b) all Proceeds shall be payable to Buyer at Closing, and (c) the Purchase Price shall be paid without reduction. If the damage shall not be deemed material (as defined in Section 10.3 below), then Seller shall proceed to make all repairs reasonably necessitated by such casualty, the Closing date shall be extended so much time as Seller shall reasonably require to complete such repairs, and the Purchase Price shall be paid without reduction.

10.2 Condemnation. If the Real Property or any portion or portions thereof shall be taken or condemned or be the subject of a bona fide threat of condemnation by any governmental authority or other entity prior to the Closing date, Buyer shall have the option of either (a) terminating this Agreement by giving written notice thereof to Seller, whereupon this Agreement and all rights and obligations created hereunder shall be null and void and of no further force or effect, or (b) requiring Seller to transfer the remaining portion or portions of the Real Property to Buyer pursuant to the terms and provisions hereof (and without a reduction in the Purchase Price) and to transfer and assign to Buyer at the Closing all of the right, title and interest of Seller in and to any award made or to be made by reason of such condemnation. Seller agrees that Buyer shall have the right to participate in all negotiations with any such governmental authority relating to the Real Property or to the compensation to be paid for any portion or portions thereof condemned by such governmental authority or other entity.

10.3 "Materiality" of Damage. For purposes of this Article X, any damage or destruction by fire or other casualty shall be deemed "material" if the cost to repair or restore such damage, as estimated by a reputable and experienced contractor designated by Buyer and approved by Seller (which approval shall not be unreasonably withheld), shall be more than Ten Thousand Dollars (\$10,000.00).

ARTICLE XI DEFAULT AND REMEDIES

11.1 Default; Remedy. If either party fails to perform its obligations hereunder (except as excused by the other's default), the party claiming default shall make written demand for performance. If the defaulting party fails to comply with such written demand within ten (10) days after receipt thereof, the following shall apply: (a) if the Seller fails or refuses to perform, then the Buyer may either (i) terminate this Agreement upon written notice to Seller, or (ii) elect to proceed with this Agreement, in which case the Buyer may attempt to remedy such default, at its own cost, including but not limited to the remedy of specific performance; and (b) if the Buyer fails or refuses to perform, then the Seller may terminate this Agreement upon written

notice to the Buyer, in which event the Seller shall retain the Deposit, together with all interest earned thereon, as liquidated damages, as its sole and exclusive remedy for such default.

ARTICLE XII
POST-CLOSING COVENANTS

12.1 Cooperation; Further Assurances. Each party hereto will cooperate, take such further actions, and execute and deliver such further documents as may be reasonably requested by any other party (provided such action shall not involve the expenditure of any material amount of money) in order to carry out the provisions and purposes of this Agreement. At any time after the Closing date, at Buyer's request and without further consideration, Seller will execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation and take such reasonable action as Buyer may reasonably deem necessary or desirable in order to more effectively transfer, convey, and assign to Buyer, and to confirm Buyer's title (as contemplated by this Agreement) to all the Assets, to put Buyer in actual possession and operating control thereof, and to assist Buyer in exercising all rights with respect thereto.

12.2 Business Records. The parties shall give to one another and their respective counsel, accountants, and other representatives full access, during normal business hours after Closing, to all books, contracts, manuals, and records relating to the Facility, shall permit such persons to make copies thereof, and shall furnish one another with such other information concerning the Facility as each party reasonably may request. Without limitation by the foregoing, Seller shall provide Buyer with reasonable access to and use of all computer hardware and software relating to the operation of the Facility for not less than six (6) months after the Closing date. Seller shall reasonably maintain or cause to be maintained for a period of three (3) years after Closing any books and records relating to the Facility which remain in its possession after the Closing.

ARTICLE XIII
INDEMNIFICATION

13.1 Indemnification Against Defaults Under this Agreement. The representations, warranties, and covenants of Buyer and Seller made in this Agreement shall survive the Closing. Buyer and Seller shall each indemnify and hold harmless the other party from and against any loss, liability, damage, cost or expense (including reasonable attorneys' and accountants' fees) which shall arise out of or in connection with any breach of any representation or warranty made or covenant to be performed by the party against whom indemnification is sought.

13.2 Limitation on Indemnification. If any damages suffered by a party indemnified under this Agreement shall result in any tax saving, entitlement to insurance recovery, or other monetary benefit to such party, then the amount of such damages payable by the indemnifying party shall be adjusted to reflect such benefit.

13.3 Control of Legal Proceedings. Upon the assertion by a third party against one of the parties to this Agreement of a claim to which the indemnification provisions of this Agreement may apply, the party against whom the claim has been asserted shall promptly notify the other party to this Agreement of such claim (and such notice shall be a condition precedent to the liability of the party so notified with respect to such claim). A party so notified shall have the right, at its own expense and with counsel of its choice, to control the defense of any such claim and all actions and proceedings in connection therewith, provided that the party seeking indemnification shall have the right to participate in such defense with counsel of its choice at its own expense. No such claim shall be compromised or settled by either party to this Agreement without the prior written consent of the other party. Each party shall cooperate in every reasonable way with the party assuming responsibility for the defense and disposition of any such claim.

13.4 Indemnification Against Post-Closing Actions. Neither Buyer nor Seller shall be liable for, and (without limitation by Section 13.1 above) Buyer and Seller shall each indemnify and hold the other party harmless from and against, any and all expenses, losses, claims, damages, and liabilities of every kind and character (including attorneys' fees and litigation costs) incurred in connection with or arising out of the conduct, after the Closing date, of the business of the party against whom indemnification is sought.

ARTICLE XIV
BROKERS AND EXPENSES

14.1 No Brokers. Seller and Buyer each represent and warrant to the other that it has not employed any broker or finder or incurred any liability for brokerage fees, commissions, or finders' fees in connection with the transactions contemplated herein.

ARTICLE XV
MISCELLANEOUS

15.1 Waiver of Conditions. Notwithstanding any condition required to be satisfied at or prior to the Closing by Seller, Buyer shall have the right to waive the satisfaction of such condition in writing and proceed with the Closing, in which event Seller shall have no further liability in regard to such condition. Further, notwithstanding any condition required to be satisfied at or prior to the date of Closing by Buyer, Seller shall have the right to waive satisfaction of such condition in writing and proceed with Closing, in which event Buyer shall have no further liability in regard to such condition.

15.2 Assignment. Neither Buyer nor Seller shall have the right to assign this Agreement to any other person or entity without the express written consent of the other party; provided, however, that Buyer shall have the right to assign this Agreement to any affiliate which is wholly-owned or majority controlled by Buyer.

15.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to be given if sent by United States mail, postage prepaid and registered or certified with required return receipt, or otherwise personally

delivered and receipted therefor, and addressed as follows (or at such other address as may be specified by notice given pursuant hereto):

(a) If to Seller:

National Church Residences of Lake County, FL, Inc.
2335 North Bank Drive
Columbus, Ohio 43220
Attention: President

(b) If to Buyer:

Franklin Senior Housing Limited Partnership
2335 North Bank Drive
Columbus, Ohio 43220
Attention: President

15.4 Captions. The captions at the beginning of the several sections of this Agreement are not a part of the context hereof, but have been inserted to assist in locating and reading those sections. They shall be ignored in construing this Agreement.

15.5 Law Applicable. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

15.6 Entire Agreement. This document fully contains all agreements and understandings of the parties hereto with respect to the subject matter hereof. The terms of this Agreement may be altered, amended, modified or revoked only by an instrument in writing signed by both Buyer and Seller.

15.7 Severability. In case any one or more of the provisions contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect for any reason, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof. It is the intention of the parties that if any provision is held to be invalid, illegal, or unenforceable, there shall be added in lieu thereof a valid and enforceable provision as similar in terms to such provision as is possible.

15.8 Duplicate Originals. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, and all counterparts taken together shall constitute duplicate originals of one and the same agreement.

15.9 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, permitted assigns, or other legal representatives.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their duly-authorized officers as of the date first set forth above.

[SIGNATURES NEXT PAGE]

SELLER: NATIONAL CHURCH RESIDENCES OF LAKE COUNTY, FL., INC.,
a Florida nonprofit corporation

By: 

Name: JULIA FRATIANNE

Title: TREASURER

PURCHASER: FRANKLIN SENIOR HOUSING LIMITED PARTNERSHIP,
a Florida limited partnership

By NATIONAL CHURCH RESIDENCES OF FRANKLIN, LLC
a Florida limited liability company, its General Partner

By National Church Residences,
an Ohio nonprofit corporation, its sole member

By: 

Name: MATTHEW D. RULE

Title: SENIOR VICE PRESIDENT

**EXHIBIT A
REAL ESTATE**

Legal Description

All that tract or parcel of land containing 2.91 acres more or less situated, lying and being in Northeast ¼ of the Southeast ¼ of the Southeast ¼ of Section 15, Township 19 South, Range 26 East, Lake County, Florida, and being more particularly described as follows:

Commence at the Southeast corner of the Northeast ¼ of the Southeast ¼ of the Southeast ¼ of Section 15, Township 19 South, Range 26 East, Lake County, Florida, thence run South 90°00'00" West for a distance of 40.00 feet to the West right-of-way margin of Kurt Street, said point being the True Point of Beginning; thence continue South 90°00'00" West for a distance of 620.00 feet to a point; thence run North 00°00'00" East for a distance of 204.64 feet to a point; thence run North 90°00'00" East for a distance of 620.00 feet to a point on the West right-of-way margin of Kurt Street; thence run South 00°00'00" West along said right-of-way margin for a distance of 204.64 feet to a point and back to the True Point of Beginning.

Attachment

9

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

Name of Development: The Franklin House

Development Location: 2400 Kurt Street, Eustis, FL 32726

(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: 46

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

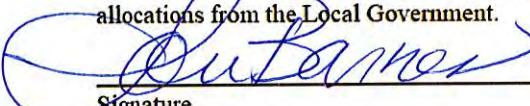
The undersigned service provider confirms that, as of the date that this form was signed, the above referenced Development's proposed number of units, density, and intended use are consistent with current land use regulations and zoning designation or, if the Development consists of rehabilitation, the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

CERTIFICATION

I certify that the City/County of Eustis 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.


Signature

Lori Barnes

Print or Type Name

DEVELOPMENT SERVICES

Print or Type Title

DIRECTOR

10/2/20

Date Signed

Planning Department

Address (street address, city, state)

4 N GROVE ST EUSTIS FL

Address (street address, city, state)

32727

352-483-5430

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: The Franklin House

Development Location: 2400 Kurt St., Eustis, FL 32726

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: 46

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.


Signature

Daniel Millan

Print or Type Name

Civil Engineer

Print or Type Title

9/30/2020
Date Signed

City of Eustis

Name of Entity Providing Service

10 N. Grove Street

Address (street address, city, state)

Eustis, FL 32726

352-483-5480

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: The Franklin House

Development Location: 2400 Kurt St., Eustis, FL 32726

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: 46

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

Daniel Millan

Print or Type Name

Civil Engineer

Print or Type Title

9/30/2020

Date Signed

City of Eustis

Name of Entity Providing Service

10 N. Grove Street

Address (street address, city, state)

Eustis, FL 32726

City, State, Zip Code

352-483-5480

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



October 15th, 2020

Sarah Branch
National Church Residences
2245 North Bank Drive
Columbus, Ohio 43220

RE: The Franklin House (the “Project”)
2400 Kurt St.
Eustis, FL 32726

Dear Ms. Branch:

We are pleased to present the following summary terms for an equity investment in The Franklin House which will own and operate a 46-unit low income housing project to be known as The Franklin House in Eustis, FL. This summary of terms is based on the information we have received and is further based on certain assumptions made by National Equity Fund (“NEF”) regarding the development budget, lease-up schedule, pro-forma operating statements, and ownership structure.

A. Summary

Investment Entity/Beneficiary of Equity

Proceeds:

Franklin Senior Housing Limited Partnership, a Florida limited partnership (“Partnership”), with National Church Residences of Franklin, LLC, a Florida limited liability company, as General Partner with a 0.01% ownership interest in the Partnership and NEF, as Limited Partner with a 99.99% ownership interest in the Partnership.

Annual federal tax credits available: \$575,000 annual allocation

Total federal tax credits to be purchased: \$5,749,425

Price per tax credit: \$0.91

Net federal tax credit equity: \$5,231,976

Proposed equity to be paid prior to construction completion: \$784,796

B. Partnership allocations:

Cash Flow will be distributed as follows:

- 1) To the Limited Partner to pay any unpaid Tax Credit adjuster amount;
- 2) To NEF to pay an annual, cumulative Asset Management Fee in the amount of \$100 per unit per year (\$4,600, increased annually at 3%);
- 3) To the Limited Partner to repay any Limited Partner loans;
- 4) To Maintain/replenish the Operating Reserve;
- 5) To the Developer to pay any Deferred Developer Fee;
- 6) To the General Partner to repay any General Partner loans;
- 7) To the General Partner to repay any guaranty advances;
- 8) To the General Partner, a non-cumulative Incentive Management Fee equal to 90% of remaining Cash Flow
- 9) The remainder 0.01% to the General Partner and 99.99% to Limited Partner.

Any gain upon sale or refinancing will be distributed as follows:

- 1) To the Limited Partner to pay any unpaid Tax Credit adjuster amount;
- 2) To the Limited Partner to pay any exit tax liabilities;
- 3) To NEF to pay any unpaid Asset Management Fee;
- 4) To the Limited Partner to repay any Limited Partner loans;
- 5) To the Developer to pay any Deferred Developer Fee;
- 6) To NEF to pay the Disposition Fee;
- 7) To the General Partner to repay any General Partner loans (other than guaranty advances);
- 8) To the General Partner to pay any unpaid Partnership Management Fee;
- 9) To the General Partner to repay any guaranty advances;
- 10) The remainder 0.01% to the General Partner and 99.99% to Limited Partner.

C. Reserve requirements:

Operating Reserve -- \$182,988, equal to 4 months of operating expenses, debt service and replacement reserves) will be funded from a portion of the Limited Partner's Capital Contributions. The General Partner will be permitted to use funds in the Operating Reserve account prior to any draw on its Operating Deficit Guaranty obligation.

Replacement Reserve -- \$46,000 will be funded at closing. The General Partner must also fund the Replacement Reserve

account in the annual amount of \$300 per unit per year (to be increased annually by three percent (3%) from Project revenues throughout the Tax Credit Compliance Period.

Upon due diligence review, additional reserves may be required by NEF.

D. General partner guaranties: The Guarantor(s) will guaranty full performance of all of the General Partner's obligations under the Limited Partnership Agreement; these guaranties include a Development Completion Guaranty, Operating Deficit Guaranty, Repurchase Guaranty, and Environmental Indemnification Guaranty. All guaranties provided by the General Partner and Guarantor(s) are joint and several and payments under these guaranties will be made as no-interest loans to the Limited Partnership. The Guarantors and the General Partner will also be obligated to make any cash contributions related to credit adjusters.

E. NEF Due Diligence Fee: \$55,000, paid at closing out of equity to the project

- F. Other Terms and Conditions:**
- 1) Prior to closing, the General Partner will obtain an allocation of Federal LIHTC from the Florida Housing Finance Corporation in the amount of \$575,000 per year, based on the assumptions that: (i) the Project will consist of 46 units, (ii) 46 units will be LIHTC units, and (iii) tenants in the 46 LIHTC units will comply with the tests promulgated under Section 42(g) of the Internal Revenue Code (i.e., qualify for the Tax Credits).
 - 2) Receipt, review, and approval of the appraisal, market study, environmental and geological reports, plans and specifications, contractor and architect agreements, and such other due diligence as is customary and reasonable for an equity investment of this nature and amount.
 - 3) The Capital Contributions are based on mutually agreed upon closing date (currently projected to occur in October 1, 2021), construction schedule and lease-up schedules. NEF will contribute a minimum of 15% of equity at closing (current projections reflect \$784,796 to be disbursed at closing).
 - 4) The terms of this letter are subject to change based upon investor yield requirements at the time of closing.

After you have reviewed both the terms outlined above and the attached financial projections, please contact me with any questions or issues that you may have. Upon the project's receipt of the low-income housing tax credits, NEF will issue our binding commitment letter and begin our internal due diligence process to close on the subject project. Please understand that any binding commitment can only be issued by NEF following the completion of its due diligence process and approval by its investment committee as well as identification of an upper tier investor for this development.

We are excited about the prospects of investing in your development.

Very truly yours,

NATIONAL EQUITY FUND, INC.



By:

Kristen Senff
National Equity Fund
Vice President
614-216-8695

Attachment

13

**Intentionally
Omitted
from this RFA**

Attachment

14

**Not
Applicable**

Attachment

15



David Lacki
Senior Vice President
Senior Banker
Community Development Lending
88 East Broad Street
Columbus, OH 43215
Phone: 614-460-3438

October 15, 2020

Via Email

Sarah Branch
Senior Director, Housing Development
National Church Residences
2445 North Bank Drive
Columbus, OH 43220

Re: **Construction and Permanent Financing for The Franklin House
2400 Kurt Street, Eustis, FL, 32726, Lake County**

Sarah,

KeyBank National Association (hereinafter called the “Lender” or “Bank”) is pleased to have the opportunity to present this Proposal of Terms to National Church Residences for the financing of The Franklin House (“Project”).

Terms and Conditions

Borrower/Direct

Recipient: Franklin Senior Housing Limited Partnership controlled by National Church Residences.

Project Description: The Loan proceeds will be used for the substantial rehabilitation of the Project. The Project involves the rehabilitation of 46 units of low-income housing. The project will be rehabilitated using Low-Income Housing Tax Credit (LIHTC) financing. The unit mix will include 12 efficiency and 34 1BD units. 46 units will be operated under a long-term project-based Section 8 rental contract.

Loan(s): Construction Loan: Loan amount up to \$6,000,000. Loan amount to be determined based on final underwriting of Project

Permanent Loan: Loan amount up to \$2,870,000. Loan Amount to be determined based on final underwriting of Project.

Loan Fee: 1.0% of the Construction Loan amount payable in full at closing.
1.0% of the Permanent Loan amount payable in full at closing.

Interest Rate: Construction Loan:
Prior to the Maturity Date, advances of the proceeds of the Construction Loan shall bear interest at a variable rate equal to the Daily LIBOR plus 250 basis points with a

LIBOR floor of 75bps. The rate will fluctuate immediately with the Daily LIBOR rate. As of October 15, 2020 the loan rate would be 3.25% based on the current Daily LIBOR of 0.15%.

Permanent Loan:

The Permanent Loan shall bear interest at a fixed rate which shall be locked at the closing of the Construction Loan. The rate will be equal to the Community Investment Program ("CIP") rate plus 250bps. As of October 15, 2020 the loan rate is estimated to be 3.81%. The final permanent interest rate will fluctuate until locked at closing of construction financing. A Rate Lock Fee of 1.5% of the Permanent Loan Amount shall be paid at closing of the Construction Loan. The Rate Lock Fee is refundable and will be returned upon conversion to the Permanent Loan.

Loan Term(s): Construction Loan: 24 months from the Construction Loan Closing Date.

Permanent Loan: 17 years from the Construction Loan Closing Date. The Loan will amortize on a 30-year schedule beginning on the Conversion Date

Repayment: Construction Loan: Monthly interest-only during construction term. Principal shall be due at maturity for the Construction Loan.

Permanent Loan: Monthly principal and interest during the term of the permanent loan. Loan will bear interest at the rate indicated above and have a 30-year amortization schedule.

Conversion Requirement(s): In order to convert to the Permanent Loan borrower shall evidence project has reached 100% completion, reached qualified occupancy, maintained a 90% occupancy for a minimum of 90 consecutive days, and evidence a DCR of 1.15x.

Sources & Uses: Borrower has supplied to the Bank certain financial information pertaining to the Project. The Bank has drafted these loan terms based on the assumptions made from that financial information. Any change in the financial information may change the terms and conditions of the Bank. The Project must evidence sufficient sources to pay off the KeyBank Construction Loan prior to the maturity date.

Other Construction Sources: Any other Project Sources during construction period, which would include Equity, Subordinate Loans and Grants, need to be in a form and terms acceptable to the Bank.

The purpose of this letter is to outline the basic terms under which KeyBank National Association is willing to consider providing financing. This proposal is subject to the Bank's further review under its normal credit underwriting procedures. The terms and conditions as outlined herein may be modified, changed or waived upon further due diligence review by Bank. This letter is made to the Borrower and is not assignable or transferable to any other party or entity.

Sincerely,

David Lacki
Senior Vice President
Senior Banker

**NATIONAL CHURCH RESIDENCES OF LAKE COUNTY, FL., INC.,
2335 North Bank Drive, Columbus, Ohio 43220
(614) 451-2151**

October 5, 2020

Franklin Senior Housing Limited Partnership
Attn: Sarah Branch
2335 North Bank Drive
Columbus, Ohio 43220

RE: Financing Proposal for Seller's Note
Development: The Franklin House, 2400 Kurt Street, Eustis, FL 32726
Buyer/Borrower: Franklin Senior Housing Limited Partnership

Dear Sarah:

This letter is to serve as and confirm the financing proposal from National Church Residences of Lake County, FL., Inc., a Florida non-profit corporation, the owner of record and seller of the above referenced Development ("Seller"). Seller will provide financing in the form of a Seller's note (purchase money mortgage), pursuant to the following terms:

Construction

Loan Amount:	\$131,733, which shall be secured by a note and subordinate mortgage on the Development.
Fixed Interest Rate:	7%
Loan Term:	2 years
Annual Debt Service:	Cash Flow Contingent

Permanent

Loan Amount:	\$131,733
Fixed Interest Rate:	7%
Loan Term:	40 years
Annual Debt Service:	Cash Flow Contingent

There will be no fees charges in association with this Seller's financing.

This financing proposal is conditioned upon the successful award to Borrower of an allocation of low-income housing tax credits from Florida Housing Finance Corporation and an Appraisal to be engaged after said award.

This financing proposal shall be in effect through December 31, 2021.

[signature follows on next page]

Sincerely,

National Church Residences of Lake County, FL., Inc.

By: 
Julia Fratianni, Treasurer

**NATIONAL CHURCH RESIDENCES
OF FRANKLIN, LLC**

2335 North Bank Drive Columbus, Ohio 43220 Phone: 800.388.2151 Fax: 614.451.0351

October 14, 2020

Franklin Senior Housing Limited Partnership
Attn: Sarah Branch
2335 N. Bank Drive
Columbus, Ohio 43220

RE: The Franklin House
2400 Kurt Street
Eustis, FL 32726

Dear Sarah:

This letter is to serve as and confirm the financing proposal from National Church Residences of Franklin, LLC, a Florida limited liability company, the General Partner of Franklin Senior Housing Limited Partnership ("the General Partner"). National Church Residences, as the Sole Member and Manager of the General Partner, will provide a General Partner capital contribution, pursuant to the following terms:

Direct Recipient: Franklin Senior Housing Limited Partnership, a Florida limited partnership

Construction Funding
Amount: \$100

Permanent Funding
Amount: \$100

Interest Rate: N/A

Period: N/A

Repayment: N/A

Origination Fee: 0%

This Conditions: Successful award to Direct Recipient of an allocation of low-income housing tax credits from Florida Housing Finance Corporation.

This financing proposal will expire on June 30, 2021.

As evidence of the ability to fund this General Partner capital contribution, attached hereto is a copy of National Church Residences' most current audited financial statements, which is not more than 17 months old.

[signature follows on next page]

Date Submitted: 2020-10-21 15:39:03.087 | Form Key: 7179
Franklin Senior Housing Limited Partnership
October 14, 2020
Page 2

Sincerely,

NATIONAL CHURCH RESIDENCES OF FRANKLIN, LLC
By: NATIONAL CHURCH RESIDENCES, Sole Member & Manager

By:



Matthew D. Rule, Senior Vice-President

National Church Residences

Special Purpose Financial Report
June 30, 2019

National Church Residences

Contents

Independent Auditor's Report	1-2
Special Purpose Financial Statements	
Balance Sheet	3
Statement of Activities	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
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Independent Auditor's Report

To the Board of Trustees
 National Church Residences

Report on the Special Purpose Financial Statements

We have audited the accompanying special purpose financial statements of National Church Residences, which comprise the special purpose balance sheet as of June 30, 2019 and the related special purpose statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the special purpose financial statements.

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with credit agreements under which they are obligated with The Huntington National Bank and the 2018 bond trust indenture under which they are obligated with The Huntington National Bank. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the special purpose balance sheet of National Church Residences as of June 30, 2019 and the respective special purpose statements of activities, changes in net assets, and cash flows for the year then ended in accordance with the financial reporting provisions of the credit agreements under which they are obligated and under commercial loans all with The Huntington National Bank.

To the Board of Trustees
National Church Residences

Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. As described in Note 2, the special purpose financial statements are prepared by National Church Residences on the basis of the financial reporting provisions of the credit agreements under which they are obligated with Bank of America and commercial loan agreements held with The Huntington National Bank, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of The Huntington National Bank. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As described in Note 13 to the special purpose financial statements, two entities previously included in the special purpose financial statements are excluded from the obligated group for the year ended June 30, 2019. The change resulted in a change in reporting entity and a retrospective recombination of the now excluded companies as of July 1, 2018, the effects of which are disclosed in Note 13. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the special purpose financial statements, for the year ended June 30, 2019, National Church Residences adopted the provisions of Accounting Standards Codification (ASC) Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*, using the retrospective adoption method. Our conclusion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the use of the board of trustees and management of National Church Residences, National Church Residences' lenders, certain local and federal awarding agencies, pass-through entities, and the bondholders and is not intended to be and should not be used for any other purpose.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2019 on our consideration of National Church Residences' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Church Residences' internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 21, 2019

National Church Residences**Special Purpose Balance Sheet**

June 30, 2019

Assets	
Current Assets	
Cash and cash equivalents	\$ 14,834,126
Investments (Note 11)	7,952,140
Receivables from related parties - Net (Note 4)	18,799,103
Other current assets	<u>793,950</u>
Total current assets	42,379,319
Property and Equipment - Net (Note 5)	5,572,293
Other	
Designated and restricted cash and investments (Note 3)	2,029,626
Long-term receivables from related parties - Net (Note 4)	37,686,718
Notes receivable from nonaffiliates - Net (Note 4)	5,289,970
Intangible asset (Note 4)	413,668
Investments in related party organizations (Note 4)	18,007,727
Other noncurrent assets	<u>653,729</u>
Total other	<u>64,081,438</u>
Total assets	<u>\$ 112,033,050</u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable and accrued expenses	\$ 4,947,990
Accrued interest	19,764
Deposits held	250,235
Other current liabilities - Current portion of long-term debt (Note 7)	<u>349,933</u>
Total current liabilities	5,567,922
Long-term Debt - Net of current portion (Note 7)	16,250,537
Other Long-term Liabilities	
Workers' compensation liability - Including reserves for related parties	1,058,397
Deferred grant revenue	<u>7,500,000</u>
Total other long-term liabilities	<u>8,558,397</u>
Total liabilities	30,376,856
Net Assets without Donor Restrictions	<u>81,656,194</u>
Total liabilities and net assets	<u>\$ 112,033,050</u>

National Church Residences**Special Purpose Statement of Activities****Year Ended June 30, 2019**

Operating Revenue	
Management fees	\$ 19,666,451
Service and administrative	360,823
Developer fees and other	10,149,917
Distributions received from unconsolidated subsidiaries	5,703,910
Rental revenue	230,011
Total operating revenue	36,111,112
Operating Expenses	
Payroll and other employee-related expenses	21,311,153
Professional and contract services	9,612,646
Depreciation	714,264
Operating and maintenance	582,140
Interest	453,174
Taxes and insurance	432,504
Travel	1,272,943
Advertising	492,971
Utilities	132,416
Service and ancillary	304,571
Total operating expenses	35,308,782
Operating Income	802,330
Other Income	
Net investment gain (Note 3)	615,711
Contributions from related party (Note 4)	3,000,000
Gain on sale of unconsolidated subsidiaries (Note 4)	2,914,853
Total nonoperating income	6,530,564
Net Income	7,332,894
Transfer from Affiliate	3,026,307
Increase in Net Assets without Donor Restrictions	\$ 10,359,201

National Church Residences

Special Purpose Statement of Changes in Net Assets

Year Ended June 30, 2019

	Net Assets without Donor Restrictions
Net Assets - July 1, 2018 (Note 13)	\$ 71,296,993
Increase in net assets	<u>10,359,201</u>
Net Assets - June 30, 2019	<u>\$ 81,656,194</u>

National Church Residences**Special Purpose Statement of Cash Flows****Year Ended June 30, 2019****Cash Flows from Operating Activities**

Increase in net assets	\$ 10,359,201
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Realized and unrealized gain on investments	(309,703)
Gain on sale of unconsolidated subsidiaries	(2,914,853)
Bad debts expense	411,018
Depreciation and amortization	714,264
Amortization of bond issuance costs	17,861
Grant revenue	7,500,000
Changes in assets and liabilities that (used) provided cash:	
Other assets	(744,650)
Accounts payable and accrued expenses	261,660
Deposits held	(128,298)
Workers' compensation liability	(178,429)
Notes receivable from nonaffiliates	246,878

Net cash and cash equivalents provided by operating activities

15,234,949

Cash Flows from Investing Activities

Purchase of property and equipment	(399,962)
Changes in receivables - Related parties	(8,142,614)
Purchases of investments	(10,283,058)
Proceeds from sale of investments	10,098,513
Decrease in assets limited as to use	295,143
Purchase of investments in related party organizations	(2,662,584)
Distribution from investments in related party organizations - Net of sales	318,929
Proceeds from sale of unconsolidated subsidiaries	1,616,651

Net cash and cash equivalents used in investing activities

(9,158,982)

Cash Flows from Financing Activities

Proceeds from debt issuance	316,323
Payments on debt	(2,137,826)
Change in related party payables	825,773

Net cash and cash equivalents used in financing activities

(995,730)

Net Increase in Cash and Cash Equivalents

Cash and Cash Equivalents - Beginning of year (Note 13)

5,080,237

Cash and Cash Equivalents - End of year

9,753,889

\$ 14,834,126

Supplemental Cash Flow Information

Cash paid for interest	\$ 453,045
Transfer of note receivable from affiliate	3,026,307
Notes receivable received from sale of unconsolidated subsidiaries	1,298,202

National Church Residences

Notes to Special Purpose Financial Statements

June 30, 2019

Note 1 - Nature of Business

Description of Organization

National Church Residences is a not-for-profit corporation whose purpose is to develop and manage housing and to provide services to individuals with limited incomes. During the year ended June 30, 2019, the debt agreement that previously required combined special purpose financial statements and defined the obligated group was refinanced and replaced with a new agreement. The obligated group was previously made up of National Church Residences and Bristol Village Homes; however, the 2008 master trust indenture with U.S. Bank was amended on October 3, 2018 with Huntington Public Capital Corporation, which only requires Bristol Village Homes to be included in the obligated group, as it is the only entity with outstanding bonds. Therefore, Bristol Village Homes is no longer included in the special purpose financial statements (see Note 13).

National Church Residences

National Church Residences is the base of operations for National Church Residences' development, senior living and housing management functions, and the controlling member of 299 related party organizations. National Church Residences has the authority to direct activities, management, and policies of the related parties through its board of trustees and subsidiary board of trustees. National Church Residences also provides management and related services to the related party organizations classified below:

	<u>Number of Entities</u>
Not-for-profit subsidiaries owned - Currently in operation	154
Partnerships in operation (ownership interest ranging from 0.01 to 1 percent)	115
Partnerships - Currently in development (ownership interest ranging from 0.01 to 1 percent)	2
Healthcare facilities and agencies owned and in operation	28
 Total controlled entities	 299
Managed for others - Currently in operation (affordable housing)	58
 Total portfolio	 <u>357</u>

Note 2 - Significant Accounting Policies

Special Purpose Financial Statements

National Church Residences is obligated under the credit agreements with The Huntington National Bank. Other corporations in which National Church Residences is the sole member are not obligated under these credit agreements; therefore, the special purpose financial statements do not include the accounts of the related party corporations in which National Church Residences is the sole member. The special purpose financial statements have been prepared for the purpose of complying with, and on the basis of, accounting practices specified by the credit agreements between The Huntington National Bank and National Church Residences and are to be a presentation in conformity with accounting principles generally accepted in the United States of America, except for any provisions therein that would require consolidation of any related party entities.

The Reporting Entity - Basis of Presentation of the Financial Statements

The special purpose financial statements include the accounts of National Church Residences and exclude the accounts of all other corporations in which National Church Residences is the sole member and all other related party organizations. Accordingly, the accompanying special purpose financial statements exclude any items of undistributed income or loss from the corporations in which National Church Residences is the sole member and all other related party organizations.

National Church Residences**Notes to Special Purpose Financial Statements**

June 30, 2019

Note 2 - Significant Accounting Policies (Continued)***Related Party Organizations***

The corporations in which National Church Residences is the sole member, affiliated partnerships, and other organizations in which National Church Residences has an ownership or member interest are referred to herein as "related party organizations."

The unaudited combined financial information of National Church Residences and its related party organizations (not covered by the report of the independent auditor) is presented below based on each of the corporations' fiscal years ended in 2018. This information excludes facilities managed for others.

Total revenue	\$ 340,281,562
Total expenses - Before depreciation and amortization	<u>(298,440,237)</u>
Income - Before depreciation and amortization	41,841,325
Depreciation and amortization	<u>(57,885,054)</u>
Net loss	(16,043,729)
Current assets	260,590,535
Other assets	174,440,265
Property and equipment - Net of accumulated depreciation	<u>1,170,193,416</u>
Total assets	<u>\$ 1,605,224,216</u>
Current liabilities	\$ 166,332,364
Long-term liabilities	1,130,735,248
Net assets/equity	<u>308,156,604</u>
Total liabilities and net assets/equity	<u>\$ 1,605,224,216</u>

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

National Church Residences consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents (excluding restricted cash and investments). At times, cash balances held in the bank exceeded the federal depository insurance limit. National Church Residences' cash is only insured up to the federal depository insurance limit.

Designated and Restricted Cash and Investments

Designated and restricted cash is stated at carrying value, which approximates fair market value, and designated and restricted investments are stated at fair value. Restricted cash and investments primarily include assets held by trustees for debt service. Board-designated cash and investments are to be used to mitigate future financial obligations and operational asset replacement. Board-designated funds can be used for other uses upon decision by the board.

National Church Residences**Notes to Special Purpose Financial Statements**

June 30, 2019

Note 2 - Significant Accounting Policies (Continued)***Property and Equipment***

Property and equipment are carried at cost or, if donated, at fair market value at the date of donation. Depreciation is provided at rates designed to amortize the carrying amount of an asset over its estimated useful life and is computed by the straight-line method. Maintenance, repairs, and renewals that do not involve any substantial betterments are charged to expense when incurred. Estimated useful life ranges are as follows:

	Depreciable Life - Years
Land improvements	15-25
Building and building improvements	10-40
Furniture, fixtures, and other	3-10

Intangible Assets

Intangible assets represent the value of contracts to manage affordable housing properties. These contracts were obtained during the purchase of Wingate Management, as discussed in Note 4, and are being amortized over 11 years, which represents the estimated remaining term of the contracts at the time of the transfer.

Investments in Debt Securities and Certain Equity Securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with gains and losses included in the special purpose statement of activities.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment asset balances reported on the special purpose balance sheet.

Receivables

Accounts receivable from nonrelated and related parties are based on net charges. An allowance for uncollectible accounts is established by evaluating the accounts receivable aging, history of unpaid accounts, and the ability of the related party to pay. Uncollectible amounts are written off against the allowance for uncollectible accounts in the period they are deemed to be uncollectible.

Debt Issuance Costs

Debt issuance costs are reported as a direct reduction from the carrying amount of the related debt. The amounts are amortized over the term of the related debt and reported as a component of interest expense. During the year ended June 30, 2019, National Church Residences capitalized \$0 of debt issuance costs.

Unamortized debt issuance costs of \$58,916, which are net of accumulated amortization of \$231,646, at June 30, 2019 represent costs related to the issuance of debt. Amortization expense for the year ended June 30, 2019 was approximately \$18,000.

National Church Residences

Notes to Special Purpose Financial Statements

June 30, 2019

Note 2 - Significant Accounting Policies (Continued)

Deferred Grant Revenue

Grant revenue received for grants is considered a nonexchange transaction and is recognized as the conditions of the grants have been met. Grant funding received in advance of conditions being met is recorded as deferred revenue. National Church Residences received a Capital Magnet Fund in the amount of \$7,500,000 during the year ended June 30, 2019; however, none of this reward was spent during the year. There are certain compliance requirements that, if not met, could require repayment of the award.

Workers' Compensation Self-insurance

National Church Residences self-insures its workers' compensation liabilities and those of its related parties in the State of Ohio. National Church Residences and its Ohio-related parties are self-insured for the first \$400,000 per incident. National Church Residences receives deposits from its related parties to pay liabilities incurred.

Developer Fees - Revenue Recognition

Revenue from development activities is recognized over the development period when earned and paid, which includes the period necessary for the newly developed properties to achieve break-even cash flows from rental operations. Furthermore, developer fees are deferred if there is a gap in the funding sources on the project.

Income Taxes

A provision for income taxes has not been included in the special purpose financial statements since National Church Residences received tax-exempt status from the Internal Revenue Service under Section 501(c)(3).

Upcoming Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU provides amendments that are intended to clarify the principles for recognizing revenue and develop a common revenue standard for U.S. GAAP that removes inconsistencies and weaknesses in revenue requirements; provides a more robust framework for addressing revenue issues; improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets; provides more useful information to users of financial statements through improved disclosure requirements; and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. National Church Residences will be required to adopt and implement this accounting update as of and for the year ending June 30, 2020. Management is in the process of evaluating the impact of the new standard on the special purpose financial statements; however, management does not anticipate the adoption of this accounting change to have a significant impact on the special purpose financial statements other than additional and expanded disclosures.

National Church Residences

Notes to Special Purpose Financial Statements

June 30, 2019

Note 2 - Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The new lease guidance will be effective for National Church Residences' year ending June 30, 2022 and will be applied using a modified retrospective transition method either to the beginning of the earliest period presented or beginning of the year of adoption. Management is in the process of evaluating the impact of the new standard on the special purpose financial statements; however, the effects on the special purpose statement of activities are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

Subsequent Events

The special purpose financial statements and related disclosures include evaluation of events up through and including October 21, 2019, which is the date the special purpose financial statements were available to be issued.

Change in Presentation

For the year ended June 30, 2019, National Church Residences adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities*. This standard requires net assets to be classified in two categories, net assets without donor restrictions and net assets with donor restrictions, rather than the three previous classifications. This standard also requires changes in the way certain information is aggregated and reported by National Church Residences, including disclosures of quantitative and qualitative information about the liquidity and availability of resources and the presentation of expenses by both functional and natural classification. The standard also clarifies the definition of management and general and prohibits certain expenses from being allocated out of management and general.

Note 3 - Unrestricted and Designated and Restricted Cash and Investments

Restricted cash and investments totaled approximately \$1,311,000 at June 30, 2019. Restricted cash and investments consist of health insurance escrow funds and funds required to be held at a trustee in the amount of \$719,000 on behalf of Waters Edge of Lake Wales in connection with their bond issuance.

Net Investment Gain

The composition of the unrestricted gain for the year ended June 30, 2019 is as follows:

Interest and dividend income	\$ 306,008
Net realized gains	160
Net unrealized gains	<u>309,543</u>
Net investment gain	<u><u>\$ 615,711</u></u>

Note 4 - Related Party Transactions

In connection with their recurring operations, National Church Residences has numerous transactions with related party organizations. Approximately 89 percent of National Church Residences' revenue was earned from the related party transactions during the fiscal year ended June 30, 2019. Distributions received from unconsolidated subsidiaries represent surplus cash generated and transferred to National Church Residences by their unconsolidated subsidiaries, as permitted under the subsidiaries' regulatory, debt, and partnership agreements.

National Church Residences**Notes to Special Purpose Financial Statements**

June 30, 2019

Note 4 - Related Party Transactions (Continued)

National Church Residences charges various fees for services provided to its operational related parties (management fees, bookkeeping fees, etc.). It also periodically fronts construction and development costs on behalf of newly formed related parties until funds are available for reimbursement. Both of these types of charges are reflected in receivables from related parties. Current receivables - related parties of approximately \$18,799,000 are net of an allowance for doubtful accounts of approximately \$6,000 at June 30, 2019. Bad debt expense related to both current and long-term receivables from related parties totaled approximately \$411,000 for the year ended June 30, 2019.

National Church Residences also has investments in related party organizations, which are included on the special purpose balance sheet as noncurrent assets and approximated \$18,008,000 at June 30, 2019.

During the year ended June 30, 2019, National Church Residences received a transfer from National Church Residences Foundation, a related entity under common control, totaling approximately \$3,026,000.

During the year ended June 30, 2019, National Church Residences received contributions from related parties totaling \$3,000,000.

Through development of new tax credit and affordable housing entities, National Church Residences will receive pass-through loans from various agencies in which funds loaned to National Church Residences are then loaned into the designated entities. In addition, National Church Residences can also advance funds to related parties in order to assist in operational shortfalls or will provide funding to related parties, as obligated under operating deficit guarantees.

The long-term receivables from related parties at June 30, 2019 are summarized as follows:

Pass-through loans	\$ 13,312,376
Operational support loans	2,565,463
Acquisition loans and other	24,105,763
Less allowance for doubtful accounts	(2,296,884)
Net receivables from related parties	<u>\$ 37,686,718</u>

In addition to the receivables referred to above at June 30, 2019, certain related party organizations were indebted to National Church Residences in the amount of \$19,529,485 (excluding interest). A portion of these receivables is flow-through grants to related party organizations, which will be recorded as grant revenue when funds are received from the related party organizations. Another portion of these receivables is capital support notes in which National Church Residences, as part of a refinancing or acquisition of related party organizations, acquired a note receivable. These notes typically represent the difference between the appraised value and the outstanding debt of the newly formed entity. The repayment of these notes is typically subject to the existence of surplus cash (as defined by the agreements). Based on these repayment terms, it was determined that these notes may not result in proceeds for National Church Residences, and, therefore, they are not recorded in the special purpose financial statements.

During the year ended June 30, 2019, unconsolidated subsidiaries were sold to unrelated third parties based on a directive from the board to strategically reposition the geography of National Church Residences' portfolio and also to reduce our low-income family units to focus more on seniors. The combined net \$2,914,853 gain resulting from the sale of these properties is recorded within the gain on sale of unconsolidated subsidiaries on the special purpose statement of activities. National Church Residences will receive a portion of the proceeds from the sale transactions in the form of promissory notes totaling approximately \$1,334,000 as of June 30, 2019. These notes carry an interest rate of 3 percent and will be paid back within a year.

National Church Residences**Notes to Special Purpose Financial Statements**

June 30, 2019

Note 4 - Related Party Transactions (Continued)

During the year ended June 30, 2018, unconsolidated subsidiaries were sold to unrelated third parties with National Church Residences receiving a portion of the proceeds from the sale transactions in the form of promissory notes totaling approximately \$3,848,000 as of June 30, 2019 with maturity dates ranging from September 2019 to February 2028. The interest rates on the promissory notes range from 4.0 to 5.0 percent. Payment terms include monthly principal and interest payment or annual principal and interest payments based on a surplus cash calculation.

In December 2006, National Church Residences Affordable Housing Management purchased 100 percent of the stock of Wingate Management, a for-profit management company that managed four owned sites, as well as 18 other properties. During 2010, Wingate Management assigned 12 of its remaining 19 management contracts to National Church Residences. These contracts represented the majority of the value in Wingate Management; therefore, the value of the Wingate investment recorded on the balance sheet of National Church Residences Affordable Housing Management and Services was reduced due to this transfer, and an addition of an intangible asset was recorded on the special purpose balance sheet of National Church Residences based on the fair value of the contracts at the time of the transfer. The carrying amount of the intangible asset was approximately \$414,000 at June 30, 2019, and amortization expense was approximately \$214,000 the year ended June 30, 2019. There was no impairment of this intangible asset during the year ended June 30, 2019.

Note 5 - Property and Equipment

Property and equipment are summarized at June 30, 2019 as follows:

Land improvements	\$ 607,920
Building and building improvements	9,681,569
Furniture, fixtures, and other	<u>5,569,249</u>
Total cost	15,858,738
Accumulated depreciation	<u>10,286,445</u>
Net property and equipment	<u>\$ 5,572,293</u>

Depreciation expense totaled approximately \$500,259 for the year ended June 30, 2019. There were no future commitments as of June 30, 2019.

Note 6 - Lines of Credit

National Church Residences had two unsecured revolving lines of credit up to a maximum of \$9,000,000 (a \$3,000,000 line of credit and a \$6,000,000 line of credit). The \$3,000,000 line of credit expires on November 30, 2019 and bears interest at 2 percent plus the bank's LIBOR (4.403 percent) at June 30, 2019, with interest due monthly. The \$6,000,000 line of credit expires on March 28, 2020 and bears interest at 2.5 percent plus the bank's LIBOR (4.903 percent) at June 30, 2019, with interest due monthly. At June 30, 2019, the outstanding balance on the lines of credit was \$0.

During fiscal year 2018, National Church Residences used a portion of the \$6,000,000 line of credit with The Huntington National Bank to secure the buyout of the limited partner for Battery Park Senior Housing Limited Partnership, an affiliate of National Church Residences, in the form of a standby letter of credit payable to Wells Fargo Affordable Housing Community Development Corporation. This standby letter of credit secures the estimated recapture of low-income housing tax credits, which declines over the next two years as the tax credit recapture obligation declines. The initial letter of credit amount is \$534,805, declining to zero in 2020.

National Church Residences**Notes to Special Purpose Financial Statements**

June 30, 2019

Note 7 - Long-term Debt

A summary of long-term debt at June 30, 2019 follows:

	Facility	Interest Rate June 30, 2019	Maturity	Outstanding Balance 2019
National Church Residences				
Mortgage notes:				
First Merchant's Bank	Central Office	4.82	2027	\$ 2,339,948
The Huntington National Bank	Central Office	4.90	2025	<u>1,390,476</u>
Total mortgage notes				3,730,424
Pass-through notes:				
City of Columbus, Ohio	Abbey Church Village	0.00	2057	824,944
Ohio Housing Finance Agency	Avondale Woods	2.00	2053	541,675
Ohio Housing Finance Agency	Commons at Buckingham	2.00	2049	1,166,880
Ohio Housing Finance Agency	Commons at Third	2.00	2041	575,814
Ohio Housing Finance Agency	Commons at Grant	2.00	2033	378,785
Ohio Housing Finance Agency	Waggoner Senior Housing	2.00	2042	849
Ohio Housing Finance Agency	Westerville Senior Housing	2.00	2034	136,057
Ohio Housing Finance Agency	Kirby Manor	2.00	2047	578,219
Ohio Housing Finance Agency	Chantry Place	2.00	2037	940,432
Ohio Housing Finance Agency	Meadowview	2.00	2043	309,916
Ohio Housing Finance Agency	Bristol Court	2.00	2028	519,599
Ohio Housing Finance Agency	Harborview	2.00	2042	372,082
Ohio Housing Finance Agency	Viewpoint	2.00	2044	516,985
Ohio Housing Finance Agency	Hilltop II	2.00	2033	193,310
Ohio Housing Finance Agency	Valley Bridge	2.00	2058	302,252
Ohio Housing Finance Agency	Summitview	3.00	2035	900,000
Greater Buffalo Savings	Courtyard Willow Woods	1.00	2023	381,366
Johnson Bank	Tod's Crossing I	0.00	2029	300,000
City of Warren, Ohio	Tod's Crossing II	0.00	2030	300,000
City of Warren, Ohio	Riverview	2.00	2057	1,375,978
Riverview Retirement Center	Portage Trail	2.00	2051	987,144
Portage Trail Village	Crane's Landing	2.00	2041	332,688
Crane's Landing	Wright Place	2.00	2034	<u>697,806</u>
Total pass-through notes				12,632,781
Preservation Fund Loan				
Total debt	Central Office	5.70	2021	<u>296,181</u>
Less current portion				349,933
Less bond issuance costs				<u>58,916</u>
Total long-term portion				<u>\$ 16,250,537</u>

Mortgages and notes payable are collateralized by the properties and lease revenue from the properties. The remaining long-term debt and letters of credit are secured by interest in gross revenue and collateralized property and equipment.

The pass-through notes outstanding balances included in the above table include unpaid interest.

National Church Residences**Notes to Special Purpose Financial Statements****June 30, 2019****Note 7 - Long-term Debt (Continued)**

Scheduled principal repayments on long-term debt are as follows:

Years Ending June 30	Amount
2020	\$ 349,933
2021	653,085
2022	363,292
2023	751,364
2024	376,803
Thereafter	<u>14,164,909</u>
Total	<u>\$ 16,659,386</u>

Note 8 - Program, Support Services, and Fundraising Expenses

Total operating expenses consisted of expenses relating to program services, support services, and fundraising expenses in the following amounts at June 30, 2019:

	Program Services	Support Services	Fundraising	Total
Payroll and other employee-related expenses	\$ 15,712,899	\$ 5,000,768	\$ 597,486	\$ 21,311,153
Professional and contract services	8,520,382	1,059,693	32,571	9,612,646
Depreciation and amortization	236,312	477,952	-	714,264
Operating and maintenance	178,654	397,426	6,060	582,140
Interest	247,186	205,988	-	453,174
Taxes and insurance	87,681	338,057	6,766	432,504
Travel	1,020,674	214,639	37,630	1,272,943
Advertising	205,737	250,694	36,540	492,971
Utilities	-	132,416	-	132,416
Service and ancillary	157,046	142,871	4,654	304,571
Total	<u>\$ 26,366,571</u>	<u>\$ 8,220,504</u>	<u>\$ 721,707</u>	<u>\$ 35,308,782</u>

The costs of providing the program and support services are allocated between the various programs and support services on an actual basis, where available, or based upon reasonable methods. Costs have been allocated by actual department area. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

National Church Residences

Notes to Special Purpose Financial Statements

June 30, 2019

Note 9 - Commitments and Contingencies

National Church Residences has various commitments and contingencies related to its primary business activities. These commitments are as follows:

Construction Loans and Bond Guarantees

National Church Residences has guaranteed various construction loans and bonds of certain related party transactions. In the event of default by a related party, National Church Residences could be obligated to repay all or a portion of the amount outstanding. The maximum potential future payments of these obligations at June 30, 2019 are as follows:

Antioch Towers	\$ 1,600,000
Avondale Woods II	15,327,147
Barnesville	6,649,055
Bridgeport	7,398,414
Broadway Park	9,815,634
Commons at South Cummingsville	13,275,551
Friendship Manor	6,769,770
Grand Place	683,400
Harvard School	600,000
Indian Lake Villa	200,000
Inniswood	42,375,000
Landings at St. Andrew	21,802,789
Mayflower Apartments	765,000
Mount Pleasant Manor	5,705,214
Plateau Ridge	5,396,761
Sandstone Foothills	4,399,572
Sharpsburg	12,651,006
Water's Edge of Bradenton I	2,000,000
Water's Edge of Bradenton II	16,050,000
Water's Edge of Lake Wales	4,551,000
 Total	 <u>\$ 178,015,313</u>

The loans and bonds bear interest at variable rates, which range from 1.0 to 6.5 percent at June 30, 2019. The debt is secured by the assets held by the related party organizations, which consist principally of properties and facilities. The construction guarantees typically will expire at the end of a 30-month period. In the event National Church Residences is required to make payments under these guarantees, National Church Residences could seek to recover these amounts from the related party organizations; however, National Church Residences does not hold specific recourse or collateral rights in connection with the guarantees.

Operating Deficits

National Church Residences has made certain commitments related to numerous low-income tax credit housing projects developed by partnerships sponsored by National Church Residences. To induce investor participation in the projects, National Church Residences has extended operating deficit guarantees to the limited partners of the partnerships. These guarantees can be drawn upon for specified purposes. Operating deficit guarantees totaled approximately \$18,000,000 at June 30, 2019.

In the event National Church Residences is required to make payments under these guarantees, National Church Residences could seek to recover these amounts from the related party organizations; however, National Church Residences does not hold specific recourse or collateral rights in connection with the guarantees. At June 30, 2019, \$1,647,734 was cumulatively funded by National Church Residences. Management believes that any additional funding of these operating deficit/completion guarantees will not be material, if required.

National Church Residences

Notes to Special Purpose Financial Statements

June 30, 2019

Note 9 - Commitments and Contingencies (Continued)

In relation to these projects, National Church Residences has made certain limited guarantees with assurance that the low-income tax credits will be available to the investors over the projected periods during which the credits are anticipated to be earned. As of June 30, 2019, National Church Residences believes it has completed all matters necessary to ensure that the credits will be available and anticipates that all future requirements will be met. Such matters consist principally of renting the housing units to qualified tenants and maintaining proper administrative records.

National Church Residences is involved in litigation arising in the ordinary course of business. In the opinion of National Church Residences' management and legal counsel, liabilities and the related insurance recoveries resulting from such litigation are not expected to be material.

Note 10 - Pension and Other Postretirement Benefit Plans

National Church Residences and the related party organizations have two multiple-employer defined contribution plans and previously had one multiple-employer defined benefit retirement plan (collectively, the "Retirement Plans") for the employees of National Church Residences and its related party organizations who meet certain requirements as to age and length of service. National Church Residences is the sponsor for these plans.

The defined contribution plans provide employer contributions (including matching percentage) ranging from 3 to 5 percent, depending on an employee's years of service. National Church Residences' total contribution made to the defined contribution plans was approximately \$1,254,000 for the year ended June 30, 2019.

National Church Residences offers a deferred compensation 457 plan to its officers at the vice president level and above. The employer contributes 1.5, 3, or 4.5 percent to the 457(f) plan based on the tenure of the employee. Employees have the ability to contribute up to the IRS limits each year in the 457(b) plan. Such deposits to the 457 plan are assets of National Church Residences and subject to the general claims of creditors of the employers until the employee hits the retirement trigger date to withdraw funds from this account.

Note 11 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the National Church Residences' assets measured at fair value on a recurring basis at June 30, 2019 and the valuation techniques used by the National Church Residences to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

National Church Residences**Notes to Special Purpose Financial Statements**

June 30, 2019

Note 11 - Fair Value Measurements (Continued)

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. National Church Residences' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

National Church Residences' policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the end of the reporting period. There were no transfers between levels for the year ended June 30, 2019.

Assets Measured at Fair Value on a Recurring Basis at
June 30, 2019

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2019
Unrestricted investments:				
U.S. equity	\$ 909,822	\$ -	\$ -	\$ 909,822
Non-U.S. equity	390,344	-	-	390,344
Fixed income	-	5,885,120	-	5,885,120
Global tactical	-	395,017	-	395,017
Alternative investments measured at net asset value (NAV)				371,734
Total assets	<u>\$ 1,300,166</u>	<u>\$ 6,280,137</u>	<u>\$ -</u>	<u>\$ 7,952,037</u>

The fair values of fixed-income and global tactical securities at June 30, 2019 were determined based on the market prices of similar securities and bonds in active trading markets.

At June 30, 2019, unrestricted investments included cash equivalents totaling \$103.

Investments in Entities that Calculate Net Asset Value per Share

National Church Residences hold shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

The fair value of alternative investment funds has been estimated by the respective fund managers using the estimated net asset value (NAV) of the investments. In using the NAV, certain attributes of the investment that may impact the fair value of the investment are not considered in measuring fair value. The estimated NAV may differ from the values that would have been used had a ready market for the securities existed, and the difference could be material.

Adjustment to NAV provided by the investment manager or administrator of the funds would be considered if the practical expedient NAV was not as of the funds' measurement date, it was probable that the funds would be sold at a value materially different than the reported expedient NAV, or it was determined in accordance with the funds' valuation procedures that the funds are not being reported at fair value.

National Church Residences

Notes to Special Purpose Financial Statements

June 30, 2019

Note 11 - Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
High-yield fixed-income fund	\$ 371,734	\$ -	Daily	30 Days

This investment is a high-yield fixed-income commingled fund that primarily consists of corporate bonds with syndicated variable rate bank loans spread across a multitude of various industry segments. For redemptions, in addition to the 60-day notice, the firm holds back 5 percent of the redemption amount in order to manage cash flow of the fund.

Note 12 - Liquidity and Availability of Resources

National Church Residences' financial assets available within one year of June 30, 2019 for general expenditure are as follows:

Cash and cash equivalents	\$ 14,834,126
Receivables from related parties	18,799,103
Investments	<u>7,580,406</u>
Total	<u>\$ 41,213,635</u>

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the special purpose balance sheet date. The investments amount above excludes \$371,734 of investments that requires a redemption of 30 days. As part of National Church Residences' liquidity management, National Church Residences maintains cash balances sufficient to cover normal operational expenditures. Excess cash is maintained in an operating reserve, which consists of long-term instruments, in order to address future operational shortfalls. National Church Residences also realizes there could be unanticipated liquidity needs.

Note 13 - Change in Reporting Entity

During the year ended June 30, 2019, the debt agreement that previously required combined special purpose financial statements and defined the obligated group was refinanced and replaced with a new agreement, described in Note 2. The new debt agreement only includes Bristol Village Homes as the obligated entity, as National Church Residences has paid off its existing tax-exempt debt with the refinance completed in October 2018. National Church Residences still has mortgage debt on two office buildings and two letters of credit that both require special purpose financial statements. This change in the obligated group resulted in a change in reporting entity and a retrospective decombination of National Church Residences and Bristol Village Homes, which were previously included in the obligated group. As a result of the change in reporting entity, net assets at July 1, 2018 increased by \$12,275,765 and cash and cash equivalents at beginning of the year on the special purpose statement of cash flows decreased by \$461,058