

AVON PARK HOUSING DEVELOPMENT CORPORATION

Board of Directors Regular Meeting
North Central Heights Community Center
709 Juneberry Street, Avon Park, Florida
Tuesday, July 21st, 2015; 6:00 P.M.

Meeting Agenda

ROLL CALL;

PREVIOUS MINUTES: Regular Board Meeting Minutes; April 21, 2015

COMMUNICATIONS: None

I. OLD BUSINESS;

1. 2014 Audit Report Briefing; Malcolm Johnson, CPA
2. Cornell Colony Project Status/Update; HOME Loan Closing.

II. NEW BUSINESS;

- A. Resolution No. 15-01; Resolution approving the execution of the Federal Home Loan Bank Affordable Housing Program application process as sole member of Cornell Colony LLC; Resolution authorizing Cornell Colony LLC participation in Community Investment Services Programs of Federal Home Loan Bank; Certificate of Incumbency; Access Form for- Sponsor Web System Access, authorization to execute all related documents by the Board Secretary and Board Chairperson.
- B. Resolution No. 15-03; Resolution authorizing APHDC as sole Member of Cornell Colony LLC to execute and accept the Firm Commitment from Florida Housing Finance Corporation for HOME Project Financing in the amount of \$5,103,486 for the development of a new construction forty four (44) affordable single family dwelling project located between Cornell and Kirkland Streets, Avon Park, Florida and authorize the Board Secretary to execute the aforementioned Commitment.
- C. Resolution No. 15-04; Resolution authorizing approval & execution by APHDC as sole Member of Cornell Colony LLC Operating Agreement, Amended & Restated Operating Agreement, Cornell Colony Developer LLC Operating Agreement and Cornell Colony Development Agreement in conjunction with Florida Housing Finance Corporation for HOME Project Financing for the development of Cornell Colony; a new construction forty four (44) affordable single family dwelling project located between Cornell and Kirkland Streets, Avon Park, Florida; authorizing the Board Secretary and Board Chairperson April Harris to execute the aforementioned Agreements.

Other matters to come before the Board:

Next Board Meeting(s): September 15, 2015

VI. ADJOURN

In accordance with the American Disabilities Act and Section 286.26 Florida Statutes, any person with disabilities requiring reasonable accommodations to participate in this meeting should call the Housing Authority offices five days prior to the meeting.

AVON PARK HOUSING DEVELOPMENT CORPORATION

Board of Directors Regular Meeting
North Central Heights Community Center
709 Juneberry Street, Avon Park, Florida
Tuesday, June 16th, 2015; 6:00 P.M.

Meeting Minutes

ROLL CALL; INSUFFICIENT ATTENDANCE; LACK OF QUORUM TO CONDUCT A MEETING;

PREVIOUS MINUTES: Regular Board Meeting Minutes; April 21, 2015

COMMUNICATIONS: None

I. **OLD BUSINESS;**

Cornell Colony Project Status/Update; HOME Funding Firm Commitment.

II. **NEW BUSINESS;**

A. Resolution No. 15-01; Resolution approving the execution of the Federal Home Loan Bank Affordable Housing Program application process as sole member of Cornell Colony LLC; Resolution authorizing Cornell Colony LLC participation in Community Investment Services Programs of Federal Home Loan Bank; Certificate of Incumbency; Access Form for- Sponsor Web System Access, authorization to execute all related documents by the Board Secretary and Board Chairperson.

B. Resolution No. 15-03; Resolution authorizing APHDC as sole Member of Cornell Colony LLC to execute and accept the Firm Commitment from Florida Housing Finance Corporation for HOME Project Financing in the amount of \$5,103,486 for the development of a new construction forty four (44) affordable single family dwelling project located between Cornell and Kirkland Streets, Avon Park, Florida and authorize the Board Secretary to execute the aforementioned Commitment.

C. New Board Member Application; Michael Eldred, Board candidate.

Other matters to come before the Board:

Next Board Meeting(s): July 21, 2015

VI. ADJOURN

In accordance with the American Disabilities Act and Section 286.26 Florida Statutes, any person with disabilities requiring reasonable accommodations to participate in this meeting should call the Housing Authority offices five days prior to the meeting.

**Avon Park Housing Development Corporation (A.P.H.D.C.)
Board of Directors Regular Meeting
North Central Heights Community Center
709 Juneberry Street, Avon Park, Florida
Tuesday, April 21, 2015, 6:00 P.M.**

Meeting Minutes

ROLL CALL –Board Chairperson Harris called the Meeting to order and requested the Secretary to call the roll & record the attendance as follows; Present; Directors Harris, Wade, Roberts, Brojek, Stukes, Windsor and Barnard. Absent; Directors Daffner & Johnson. Secretary Shoeman declared a quorum present.

PREVIOUS MINUTES: Regular Board Meeting Minutes March 17, 2015; Motion to accept & approve the Meeting Minutes as circulated was made by Director Windsor, seconded by Director Barnard; motion carried unanimously.

COMMUNICATIONS: None.

I. OLD BUSINESS;

A. Resolution No. 15-01; Cornell Colony LLC; Authorizing Board Secretary to execute Operating and Development Agreements remained tabled until next meeting due to agreements still not yet ready for consideration.

B. 695 Palmetto St. Property; The ED informed the Board that a Purchase & Sale Agreement has been executed in accordance with the terms previously approved by the Board and that, after the Board acts on the approval for 2014 FYE Net Cash Flow Distribution from both NCH I and II, sufficient funds should be available to complete the purchase transaction.

II. NEW BUSINESS;

A. 2014 Audit Report; The ED informed the Board the 2014 Audit Report for the APHA/APHDC Financial Statements has been circulated and that no findings have been reported. The ED further stated that Malcolm Johnson would provide a briefing presentation at the next meeting for Board Q & A.

B. City of Avon Park PILOT Payment; The ED informed that Board that now that the Audit Report has been published, it was time to consider a voluntary Payment In Lieu of Taxes Payment to the City of Avon Park. The ED included in this year's calculation a possible deduction for the costs the APHDC incurred as a result of the unsuccessful Brickell Building acquisition effort. Moved by Director Brojek, seconded by Director Roberts to tender a voluntary PILOT payment to the City, less the Brickell cost deduction noted in the calculation; motion carried unanimously.

C. Resolution No. 15-02; Net Cash Flow Distribution NCH I & II. The ED reviewed the 2014 FYE Net Cash Flow Distribution calculation provided by Malcolm Johnson CPA for NCH I and II; entertained questions related. Moved by

Director Windsor, seconded by Director Brojeck to authorize the ED to distribute the funds per published schedule, in accordance with the requisite NCH I & II Operating Agreements; motion carried unanimously.

D. Unsecured Promissory Notes; The ED requested that the APHDC consider extending Promissory Notes in the amount of \$16K each from NCH I and II for the purpose of providing supplemental funding to acquire the 695 Palmetto St. property for future development. Moved by Director Stukes, Seconded by Director Barnard to approve the recommendation, predicated on approval by Affordable Housing Solutions for as partner for NCH II for the NCH II Note; motion carried unanimously.

E. Other matters to come before the Board: Mike Eldred, Commissioner for the APHA requested consideration for Board membership to APHDC. Board instructed the ED to obtain a Board Application from Mr. Eldred for Board consideration at the next meeting.

Next Board Meeting: Next Regular Meeting to be held May 19, 2015.

VI. ADJOURN: Being no further business to come before the Board, meeting was adjourned at 6:38 PM.

Accepted

Attest

SEAL

Avon Park Housing Development Corporation

RESOLUTION NO. 15-01

Resolution Approving the execution of the Federal Home Loan Bank Affordable Housing Program application process as sole member of Cornell Colony LLC; Resolution authorizing Cornell Colony LLC participation in Community Investment Services Programs of Federal Home Loan Bank; Certificate of Incumbency; Access Form for- Sponsor Web System Access, authorization to execute all related documents by the Board Secretary and Board Chairperson.

Whereas, The Avon Park Housing Development Corporation (APHDC), sole member of Cornell Colony LLC, desires to pursue subsidized funding available to the APHDC through the Federal Home Loan Bank Affordable Housing Program in support of supplemental funding opportunities to support the development of Cornell Colony and,

Whereas, The Federal Home Loan Bank (FHLB) requires the execution of certain agreements and supporting documents as required as a condition for application eligibility.

NOW THEREFORE BE IT RESOLVED that the Directors of the Avon Park Housing Development Corporation authorize the Board Secretary and Board Chairperson to complete, execute and forward the requisite FHLB Resolution Authorization Participation and other required documents on behalf of the APHDC and Cornell Colony LLC to qualify such project for funding eligibility with the FHLB Affordable Housing Program and authorize Board Chair Harris to execute FHLB documents are required by the FHLB for program participation for the afore stated such purposes.

ADOPTED THIS 16th DAY OF JUNE 2015.

Accepted _____

Attest _____

SEAL



Affordable Housing Program
Application Certification
2015 Offering

This AFFORDABLE HOUSING PROGRAM APPLICATION CERTIFICATION (this “*Certification*”), is made as of June 5, 2015, by Avon Park Housing Development Corp. (the “*Project Sponsor*”), in connection with AHP Application Number 39, Project Name: Cornell Colony (the “*Application*”), for the benefit of the Federal Home Loan Bank of Atlanta (the “*Bank*”). The Bank is not willing to consider the Application, or otherwise award Affordable Housing Program (“*AHP*”) subsidy to the Project unless the Project Sponsor agrees to the statements made in this Certification.

The Project Sponsor hereby certifies as follows:

1. Member. The Project Sponsor has provided information to:

Heartland National Bank

(the “*Member*”) so that the Member may submit the Application to the Bank in connection with the project described in the Application (the “*Project*”).

2. AHP Requirements. The Project Sponsor represents and warrants that they have read and agree to be bound by the AHP Regulations published by the Federal Housing Finance Agency (“*Finance Agency*”), 12 C.F.R. Part 1291 *et. seq.*, the Bank’s Affordable Housing Program Implementation Plan (“*Implementation Plan*”), and all related AHP policies, procedures, guidelines, and instructions, as each may be modified from time to time, as well as the AHP Agreement to be executed if the Project is selected to receive AHP subsidy.

3. No Conflict. The Project Sponsor acknowledges their responsibility to ensure that compliance with all AHP requirements can be met and are not in conflict with other financing and/or service providers’ project or program requirements.

4. Competitive Program. The Project Sponsor acknowledges that AHP is a competitive program, and that if the Project is selected to receive AHP subsidy, the Project must remain competitive throughout the Project life-cycle, that changes to the Application may result in a change of score, and that if such change of score results in the Project not remaining competitive, the AHP subsidy will be deobligated and/or recaptured if the AHP subsidy has been disbursed to the project.

5. Readiness. The Project Sponsor acknowledges that, if the Project is selected to receive AHP subsidy, Project Sponsor is required to meet the milestone dates and progress guidelines described in the Implementation Plan, and that if the Project does not meet those milestone dates and/or progress guidelines the AHP subsidy may be deobligated and/or recaptured if the AHP subsidy has been disbursed to the project.

6. Documentation Required. The Project Sponsor agrees to provide to the Bank, in form and substance satisfactory to the Bank, all required items specified in the Application, together with such other documents and information relating to Project Sponsor, the Project, any service provider related to the Project, as well as all other similar information as the Bank may reasonably request. The Project Sponsor represents and warrants that all documents and other information delivered to the Bank are and will be true, complete and correct in all material respects at the time of delivery to the Bank, and such documentation is materially consistent with corresponding documentation and information provided to other funding sources. All documents and other information delivered to the Bank pursuant to the Application or the AHP Requirements are and will be complete and correct in all material respects at the time of delivery to the Bank. Member, Project Owner, and Project Sponsor hereby agree to immediately inform the Bank of any material change to any such documentation or other information.

7. Duty to Disclose; Suspended Parties.

- (a) The Project Sponsor must notify the Bank promptly after discovery or notice of any material change, either positive or negative, in the financial condition, operations, properties or prospects of any material party associated with the Project (including whether any material party to the Project has lost their requisite license or been suspended by any applicable government agency, or has otherwise been barred from participation in any affordable housing program), or any event which has or may have a material impact on the Project itself or the ultimate development and use of the Project for its purpose as set forth in the Application. To the extent Project Sponsor is aware of any claims or litigation that may have a material effect on the Project; please disclose on Schedule A attached hereto. In addition, respond to the operational and financial disclosure questions on Schedule A attached hereto.
- (b) The Member and Project Sponsor represent and warrant they have reviewed the FHLBank Atlanta AHP Suspended Party list that shows the parties that are suspended from participation in the AHP, and as of the date of certification execution, to the best of their knowledge, no material party associated with the Project is suspended. The FHLBank Atlanta AHP Suspended Party List is located on the Review and Finalize screen of the online application.

8. Related Party Relationships. Except as set forth on Schedule A attached hereto, no material parties to the Project are related and there are no related party transactions associated with the Project. For purposes of this disclosure, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions, or if the parties are immediate family members. Related party transaction means a transfer of resources or obligations between parties, regardless of whether a price is charged. Control refers to an ownership, directly, or indirectly through subsidiaries, of more than one half of the voting power of an enterprise, or a substantial interest in voting power or the power to direct the financial or operating policies of the management of the enterprise. Significant influence refers to the power to participate in the financial or operating policy decisions of an enterprise, but not control of those policies. Immediate family member means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a director or executive officer of the Project Sponsor, and any person (other than a tenant or employee) sharing the household of such director or executive officer.

9. Information Sharing. The Project Sponsor agrees that the Bank is authorized to verify with other parties and to make any investigation of the matters set forth in the Application and this Certification, either directly or through any agency or third party employed by the Bank for that purpose. The Bank

reserves the right to verify all information or documents used in processing the Application, including requiring credit checks on all parties involved in the transaction, as deemed necessary on a case by case basis in the sole discretion of the Bank and at the Project Sponsor's expense. Applicant hereby authorizes the financing bank, accountant, mortgage lender, creditors, other state housing agencies and others sources identified in the Application to release information to FHLBank Atlanta or its designee in order to verify the accuracy of information in the Application and amendments thereto. Applicant agrees and understands that it may be charged for all fees and costs incurred by DCA in the inspection of funded properties during and after construction and in the enforcement of FHLBank Atlanta regulations and policies. The Bank may disclose to any other interested parties information as to the Bank's experiences or transactions with the Project Sponsor (and Project Owner, to the extent such entity is different than Project Sponsor) or with respect to the Project or other matters set forth in the Application or this Certification. The Project Sponsor represents and warrants that it has obtained Project Owner's consent to share such information as set forth in this paragraph 9. The Project Sponsor understands that the Bank will retain the Application, this Certification, and any other supporting information received, even the Project is not selected to receive AHP subsidy. Project Sponsor further authorizes the Bank to provide any such interested party any information and documentation the Bank may decide in its sole discretion to provide with respect to the Project and all related material parties to the Project. These representations and authorizations extend not only to the Bank, but also to any investor in the Project with whom the Bank may share information, and the Finance Agency.

10. Internal Controls – Project Sponsor. The Project Sponsor shall establish and maintain adequate and efficient internal controls, policies and procedures, to assure an effective system for the prevention, detection and reporting of fraud or abuse in connection with any element of the AHP Project including but not limited to the appropriate countersignatures and notarization of documents.

11. Internal Controls – Member. The Member has established and does maintain an adequate and effective internal control environment including, but not limited to, requisite policies and procedures for the prevention, detection, and reporting of fraud, abuse and other suspicious activity in connection with the AHP Competitive program, including related to any Project Sponsor(s) or other third parties that may participate in the provision of goods or services related thereto. The Member complies with all applicable Bank Secrecy Act and Office of Foreign Assets Controls (OFAC) requirements as they relate to the AHP Competitive program and certifies that the Member has conducted (or caused to be conducted) a screen to confirm that each of the Project Sponsor, the project owner (for rental projects), and each homebuyer/homeowner (for ownership projects) is not a "specifically designated national and blocked person" (SDN) on the SDN list maintained by OFAC.

11. Approval of Governing Body. The Project Sponsor has received approval to submit the Application for the Project from its Board of Directors or governing body and is able to produce upon request of the Bank acceptable evidence demonstrating the approval.

12. Bank's Remedies. Project Sponsor's failure to perform any of its obligations as and when required by this Certification or the Application, including, without limitation, any failure, at any time, of any representation or warranty of Project Sponsor to be true and correct and any failure by Project Sponsor to timely satisfy any condition, shall, in the sole discretion of the Bank, cause the Application to be removed from consideration to receive AHP subsidy during the current AHP round or deobligation of AHP subsidy if the Project is selected to receive AHP subsidy, as well as any remedies available to the Bank under an AHP Agreement executed by the parties or under the AHP Implementation Plan.

13. Charitable Contributions or Community Investment Services (CIS) Sponsorships. The Project Sponsor or Owner has not received charitable contributions (cash or in-kind donations) or CIS sponsorships from FHLBank Atlanta in the previous 12 months.

14. Empowerments. If awarded points for providing empowerment activities, Project Sponsor certifies that the empowerment activity being offered is (1) comprehensive in nature, (2) achieves the intended objectives as stated in the application, (3) has committed resources, and (4) has appropriate oversight and reporting to the Project Sponsor's Board.

15. Member Financial Participation. If awarded points for member financial participation, member certifies that it understands that the credit, as represented in the application, must be extended and closed simultaneous with or prior to the project's other real estate financing (including AHP), that the member's financing must clearly flow through to the project to demonstrate the member's direct participation in the project, and that the project must demonstrate need for the proposed member financing structure.

16. Non-public Personal Information. To the extent the Application contains any of Project Sponsor, homebuyer(s), homeowner(s), and/or resident(s) Non-public Person Information (as that term is defined in Section 5601 of the Gramm Leach Bailey Act, and its implementing regulations), it shall be treated as confidential information, and the receiving parties shall use appropriate safeguards to ensure its privacy. It is intended to be reviewed only the parties listed in the Application and should not be made available to any other person or entity without the written consent of the Project Sponsor(s), homebuyer(s), homeowner(s), and/or resident(s), except as may be required by applicable law.

[SIGNATURE ON FOLLOWING PAGE]

THE PROJECT SPONSOR ACKNOWLEDGES THAT THE BANK MAY RELY ON THE STATEMENTS AND INFORMATION SET FORTH IN THIS CERTIFICATION AND THAT SUCH STATEMENTS AND INFORMATION ARE PART OF THE APPLICATION, AND MAY BE INCORPORATED BY REFERENCE IN ANY AGREEMENT ENTERED INTO WITH THE BANK.

This AHP Application Certification must be completed and duly executed with two signatures including the chairperson of the Board (if governed by such) and the executive director or president or CEO of the Project Sponsor. If the Project Sponsor does not have a Board, the Project Sponsor may have an independent signature who is governed by a set of professional standards and ethics (such as attorney or CPA), or other executive as may be acceptable by the Bank.

By signing below, I hereby (a) certify that I am the chairperson of the board (if governed by such), executive director, president, CEO or equivalent position of the sponsoring organization, and authorized to agree to the terms and conditions set forth within this Certification, (b) if the Project Sponsor does not have a board, I am an independent second signatory that is governed by a set of professional standards and ethics (such as an attorney or CPA), and (c) certify that the information provided in the Certification is true and correct as of the date first set forth above, and any misrepresentation of the information contained in this Certification may result in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1014.

Avon Park Housing Development Corporation
(PROJECT SPONSOR)

By: _____

Name: Larry Shoeman

Title: Executive Director

Phone and Extension: _____

By: _____

Name: _____

Title: Board Chair

Phone and Extension: _____

After Execution, this Certification along with other required supporting documents must be submitted electronically via USB device, thumb drive, or compact disc (CD) to either of the following mailing addresses by July 2, 2015 (No paper documentation or faxes will be accepted.)

By U.S. Postal Service to:

Community Investment Services Department
Federal Home Loan Bank of Atlanta
Attn: AHP Supporting Documentation
P.O. Box 105565
Atlanta, Georgia 30348-5565

OR

By Courier Service to:

Community Investment Services Department
Federal Home Loan Bank of Atlanta
Attn: AHP Supporting Documentation
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Application Number: 39

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Project Name: Cornell Colony

6/1/2015

Member Certification

By signing below, I certify that Heartland National Bank (member name) meets all eligibility requirements to participate in the Bank's Affordable Housing Program as described in the Implementation Plan, including, but not limited to, Member's underwriting of the application, and the member is compliant with the Community Support Regulations, and that the undersigned is an officer of the Member who has Community Investment Services (CIS) authority per the Member's Signature Card with the Bank.

Heartland National Bank

(MEMBER)

By: _____

Name: _____

Title: _____

Phone and Extension: _____

Application Number: 39

Project Name: Cornell Colony

SCHEDULE A to AHP Application Certification

#1	Current Pending or Threatened Claims or Litigation
<p>Is the sponsor or any material party to the project the subject of any claims or litigation, pending or threatened?</p> <p>If Yes, describe the nature and status of the litigation; when it was disclosed or discovered; whether the litigation impacts clear title to the subject property; and the parties to such litigation. In addition, please opine whether the resolution of such claim or litigation in favor of the adverse party would negatively affect the ability of the project, Project Sponsor, and/or owner to comply with the AHP Requirements and meet its obligations, as set forth in the Application, during the term of the Project's AHP retention period.</p>	
<p> <input type="radio"/> Yes <input checked="" type="radio"/> No </p> <p>Provide a separate complete description if more space is needed.</p>	
#2	Past Claims or Litigation
<p>Has any material party to the project, or any company in which any management or executive personnel of any material party to the project have an interest in, (as a partner, officer, director or stockholder) ever been involved in any bankruptcy or similar proceeding, any lawsuit or legal proceeding in which it was alleged that any material party to the project performed deficient construction services, any criminal proceeding other than for traffic violations or other minor offences, any proceedings in which any material party to the project lost their requisite license or been suspended by an applicable government agency, or has otherwise been barred from participating in any type of business practice, has been barred from participation in any housing or economic development project or program, is currently under investigation, had past affordable housing program compliance issues, or been subject to any proceeding in which your firm or any affiliate was alleged to have violated any Federal or State securities law?</p> <p>If so, describe the nature the litigation; the date it was resolved and the outcomes, whether favorable or unfavorable; the parties which were impacted by the litigation; and any ongoing impact on the Project Sponsor's and/or owner's ability to comply with the AHP Requirements and meet its obligations, as set forth in the Application, during the term of the Project's AHP retention period.</p>	
<p> <input type="radio"/> Yes <input checked="" type="radio"/> No </p> <p>If yes, please provide details for such events.</p>	

#3

Operational and Financial Disclosures

During the last five years has any development in which you or any material party to the project had an interest encountered any material adverse change in financial condition, difficulties in construction, operations or financing? *If Yes, explain below.*

Yes
 No

Is the Project Sponsor or any members of your firm planning to be a guarantor for any part of this transaction, i.e.: LIHTC, construction loan, operating expenses? *If Yes, explain below.*

Yes
 No

Has the Project Sponsor or any material party to the project defaulted on, or currently is in default on, any monetary obligations? *If Yes, explain below.*

Yes
 No

Are all existing loans and/or accounts payable that are associated with the Project paid current? *If No, explain below.*

Yes
 No

Are there any liens, claims of liens or notice of liens? *If Yes, explain below.*

Yes
 No

Does the Project Sponsor have sufficient financial and operational capacity to manage its existing and proposed pipeline?

Yes
 No

The answer to the third question regarding defaults is No. The form will not permit us to select a response.

Application Number: 39

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Project Name: Cornell Colony

6/1/2015

Sponsor Questionnaire

Name of Project & Application Number	Cornell Colony	#	39		
Name of Project Sponsor (Legal Name)	Avon Park Housing Development Corporation				
Date of organization		Organized in what state?			
Number of Full Time Employees experienced in the following areas:	Residential Project Management: 6	Sales or Leasing: 5	Property Management: 7		
	Compliance Management: 3	Project Financial Management: 4	Social Services: 2		
	Corporate Accounting: 2	Total Staff: 11			
For Profit / Non Profit status (check one):	For Profit <input type="radio"/> Non Profit <input checked="" type="radio"/>				
What is the sponsors' role in the project? (Are you the ...?)	Developer <input type="checkbox"/>	Co-Developer <input type="checkbox"/>	General Contractor <input type="checkbox"/>	Property Manager <input type="checkbox"/>	Empowerment Provider <input type="checkbox"/>
Project Sponsor Management (i.e.: CEO, Director, Individual responsible for this project, etc)	Name		Position with Sponsor		
	Larry Shoeman		Executive Director		
Project Development Team Identification Chart					
Role	Name (Company or Individual)	Key principal (or project contact)			
Sponsor	Avon Park Housing Development Corporation	Name and Title: Larry Shoeman, Executive Director			
Developer	Avon Park Housing Development Corporation	Name and Title: Larry Shoeman, Executive Director			
Co-developer		Name and Title:			
General Contractor		Name and Title: Marmer Construction			
	Under contract? <input checked="" type="radio"/> Yes <input type="radio"/> No				
Property Manager		Name and Title: Avon Park Housing Authority			
	Under contract? <input checked="" type="radio"/> Yes <input type="radio"/> No				
Consultant	Judd Roth Real Estate Devel.	Name and Title: Judd Roth, President			
	Under contract? <input checked="" type="radio"/> Yes <input type="radio"/> No				
Other		Name and Title:			

Application Number: 39

Project Name: Cornell Colony

General Information

Have there been any changes in sponsor's senior management in the past 12 months? <i>If Yes, explain below.</i>	<input type="radio"/> Yes <input checked="" type="radio"/> No
Does the Project Sponsor have an existing business relationship with the member bank? <i>If Yes, explain below.</i>	<input checked="" type="radio"/> Yes <input type="radio"/> No
Are there any unusual regulatory, legal, or physical issues that will impact your ability to complete this development (e.g., zoning moratoria, water / sewer connection moratoria or no service to the area, environmental problems, wetlands)? <i>If Yes, explain below.</i>	<input type="radio"/> Yes <input checked="" type="radio"/> No
Other	
Describe any unusual risks facing the project?	

Please provide information and/or a listing of other Housing /Development properties (including the AHP projects listed above) that you have participated in developing **within the last 5 years**. Please use the Housing / Development Experience Table or if using your own listing summary, please includes the information requested in the table.

Housing / Development Experience Table of Developer

Project Name	% Complete	Year Completed	Check if applicable: Multifamily-> <input type="checkbox"/>	Target Tenancy	Family, Senior, AMI, Special needs etc.								
North Central Heights LLC	100	2011	Single Family-> <input checked="" type="checkbox"/>	Total Development Cost	\$7,150,440								
Location (City / State)	Total # of units	Current Occupancy	Ownership-> <input type="checkbox"/>	Your Role in the project	Co-Developer								
Avon Park, Florida	40	100%	Rental-> <input checked="" type="checkbox"/>	Were Federal Home Loan Bank funds involved? If yes, provide reference number	Yes: 08A0458								
Who provided funds for this project? (Show Lender / Equity provider, amount)			General Project description:										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Lender / Equity Provider</th> <th style="width: 20%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Florida Housing Finance Corporation (HOME funds)</td> <td>\$ 5,340,560</td> </tr> <tr> <td>USDA; Bonnaville Financial</td> <td>\$ 650,000</td> </tr> <tr> <td>Federal Home Loan Bank of Atlanta, Ga.</td> <td>\$ 650,000</td> </tr> </tbody> </table>			Lender / Equity Provider	Amount	Florida Housing Finance Corporation (HOME funds)	\$ 5,340,560	USDA; Bonnaville Financial	\$ 650,000	Federal Home Loan Bank of Atlanta, Ga.	\$ 650,000	New 40 single family affordable rental home project, with one Community Center & playground area.		
Lender / Equity Provider	Amount												
Florida Housing Finance Corporation (HOME funds)	\$ 5,340,560												
USDA; Bonnaville Financial	\$ 650,000												
Federal Home Loan Bank of Atlanta, Ga.	\$ 650,000												
North Central Heights LLC II	100	2012	Single Family-> <input checked="" type="checkbox"/>	Total Development Cost	\$5,529,120								
Location (City / State)	Total # of units	Current Occupancy	Ownership-> <input type="checkbox"/>	Your Role in the project	Co-Developer								
Avon Park, Florida	32	100%	Rental-> <input checked="" type="checkbox"/>	Were Federal Home Loan Bank funds involved? If yes, provide reference number	Yes: 09A04998								
Who provided funds for this project? (Show Lender / Equity provider, amount)			General Project description:										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Lender / Equity Provider</th> <th style="width: 20%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Florida Housing Finance Corporation (HOME Funds)</td> <td>\$ 4,108,672</td> </tr> <tr> <td>USDA; Bonnaville Financial</td> <td>\$ 588,000</td> </tr> <tr> <td>Federal Home Loan Bank of Atlanta, Ga.</td> <td>\$ 650,000</td> </tr> </tbody> </table>			Lender / Equity Provider	Amount	Florida Housing Finance Corporation (HOME Funds)	\$ 4,108,672	USDA; Bonnaville Financial	\$ 588,000	Federal Home Loan Bank of Atlanta, Ga.	\$ 650,000	New 32 single family affordable rental home project, as Phase II of North Central Heights development.		
Lender / Equity Provider	Amount												
Florida Housing Finance Corporation (HOME Funds)	\$ 4,108,672												
USDA; Bonnaville Financial	\$ 588,000												
Federal Home Loan Bank of Atlanta, Ga.	\$ 650,000												
Lakeside Park I	100	2013	Multifamily-> <input checked="" type="checkbox"/>	Total Development Cost	1,650,000								
Location (City / State)	Total # of units	Current Occupancy	Ownership-> <input type="checkbox"/>	Your Role in the project	Co-Developer								
Avon Park, Florida	16	100%	Rental-> <input checked="" type="checkbox"/>	Were Federal Home Loan Bank funds involved? If yes, provide reference number	Yes: 07B0446								
Who provided funds for this project? (Show Lender / Equity provider, amount)			General Project description:										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Lender / Equity Provider</th> <th style="width: 20%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Florida Housing Finance Corporation (SAIL Funds)</td> <td>\$ 760,000</td> </tr> <tr> <td>J. S. Department of HUD; Capital Fund Program</td> <td>\$ 350,000</td> </tr> <tr> <td>Federal Home Loan Bank of Atlanta, Ga.</td> <td>\$ 540,000</td> </tr> </tbody> </table>			Lender / Equity Provider	Amount	Florida Housing Finance Corporation (SAIL Funds)	\$ 760,000	J. S. Department of HUD; Capital Fund Program	\$ 350,000	Federal Home Loan Bank of Atlanta, Ga.	\$ 540,000	Substantial Rehabilitation of a 16 unit public housing rental project for homeless families.		
Lender / Equity Provider	Amount												
Florida Housing Finance Corporation (SAIL Funds)	\$ 760,000												
J. S. Department of HUD; Capital Fund Program	\$ 350,000												
Federal Home Loan Bank of Atlanta, Ga.	\$ 540,000												

This section is an opportunity to show your housing and development experience. Please provide information about all projects in which you have been involved in over the past three to five years. If more space is needed for reporting projects please attach more sheets.

AVON PARK HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 15-03

RESOLUTION AUTHORIZING THE AVON PARK HOUSING DEVELOPMENT CORPORATION AS SOLE MEMBER OF CORNELL COLONY LLC TO ACCEPT A FIRM COMMITMENT FROM FLORIDA HOUSING FINANCE CORPORATION FOR H.O.M.E. PROJECT FINANCING IN THE AMOUNT OF \$5,103,486 FOR THE DEVELOPMENT OF A NEW CONSTRUCTION FORTY FOUR (44) AFFORDABLE SINGLE FAMILY DWELLING PROJECT LOCATED BETWEEN CORNELL AND KIRKLAND STREETS, FRONTING FLORIDA AVENUE, AVON PARK, FLORIDA; AUTHORIZING THE BOARD SECRETARY FOR THE CORPORATION TO EXECUTE THE FIRM COMMITMENT ACCEPTANCE

Whereas, the Avon Park Housing Development Corporation, as the sole member of the LLC, created Cornell Colony LLC for the purpose of developing a specific affordable multi-family rental property for low-to-moderate income population called Cornell Colony of Avon Park, Florida; and

Whereas, the Florida Housing Finance Corporation (FHFC) has awarded to Cornell Colony, LLC, as the proposed owner of the project, a H.O.M.E. Loan in the amount of \$5,103,486 to underwrite the cost of a forty four (44) multi-family development for the benefit of low-to-moderate income residents of Avon Park Florida; and

Whereas, Cornell Colony LLC desires to secure the five million one hundred three thousand four hundred and eighty six dollars (\$5,103,486) in HOME loan funds offered by the FHFC to underwrite financial commitments to develop such project.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Avon Park Housing Development Corporation, as sole member of Cornell Colony LLC, hereby authorizes the Board Secretary to execute and affirmatively return the Firm Commitment acceptance to FHFC on behalf of Cornell Colony LLC.

ADOPTED THIS 16th DAY OF JUNE 2015

Accepted _____

Attest _____
SEAL

Via Email

May 18, 2015

Larry Shoeman
Cornell Colony, LLC
21 Tulane Drive
Avon Park, FL 33825

RE: Firm Commitment
Cornell Colony / 2014-404H
RFA 2014-109 / HOME Rental Program

Dear Mr. Shoeman:

The Florida Housing Finance Corporation ("Florida Housing") is pleased to issue to Cornell Colony, LLC ("Borrower"), a firm commitment for a HOME Loan in the amount of \$5,103,486.00 ("Loan") to provide construction and permanent financing for Cornell Colony ("Development"), located at 517 W. Cornell Street, Avon Park, in Highlands County, Florida 33825. The Loan shall only be used for eligible Development costs pursuant to HUD Rule 92.206 and Rule Chapter 67-48, Florida Administrative Code.

Terms of the Loan are as follows:

- 1) **Security Position:** The Loan shall be secured by a second mortgage lien securing the development and all collateral pledged in connection with the Loan at all times along with any other construction and permanent financing as stated the final credit underwriting report dated April 24, 2015. Other approved debt must be subordinated to the Loan prior to closing.
- 2) **Interest Rate:** A zero percent (0.00%) per annum rate of simple interest (the Note Rate) during the term of the Loan, payable annually on the date specified in the Note. Principal is due at maturity of the promissory note.
- 3) **Term of the Loan:** The term of the Loan will be is 30 years, as certified by Florida Housing or its agent.

HOME Program Provisions pursuant to 24 C.F.R. Part 92.504: Applicant expressly agrees, and will cause its general contractor to comply with the following terms and conditions as applicable, in conformity with 24 C.F.R. Part 92, and Rule 67-48, Part I and III, Florida Administrative Code:

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Bill Killingsworth, Florida Department of Economic Opportunity

Executive Director: Stephen P. Auger

1. Use of the HOME funds: The HOME funds will be used to supply affordable housing in Highlands County. This Development will provide for new construction of 44 units, of which 44 units will be HOME Assisted Units. *The Borrower must submit Project Information which includes: tasks to be performed, a schedule for completing the tasks, and a detailed budget. This must be provided along with Acceptance of Commitment.*
2. Affordability: Pursuant to HUD 24 C.F.R. Section 92.252, the Development must, at a minimum, meet the requirements for qualification as "affordable rental housing". The affordability period is 50 years as agreed upon in Borrower's application.
3. Repayments: All loans made on behalf of Florida Housing shall be repaid directly to the Florida Housing Finance Corporation, Attn.: HOME Rental Program, 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301-1329 or at such other address as Florida Housing may direct. Repaid funds will revert back into the HOME Investment Partnerships Trust Funds Account to be made available for other eligible HOME-assisted activities.
4. Uniform Administrative Requirements: If the Development has a non-profit involved, the requirements of 24 C.F.R. 92.505 and OMB Circular No. A-122 is applicable and the following requirements of 24 C.F.R. Part 84 apply to subrecipients receiving HOME funds that are private nonprofit organizations: 84.2, 84.5, 84.13 - 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40-84.48, 84.51, 84.60-84.62, 84.72, and 84.73 (*If Applicable.*).
5. Development Requirements: The Development funded under this Commitment shall meet all relevant requirements of 24 C.F.R. Sections 92.250 through 92.253, inclusive. The Development must also meet the requirements of Rule 67-48.014, Florida Administrative Code.
6. Housing Quality Standards: The Development shall meet the requirement of 24 C.F.R. 92.251, relating to Development standards for the duration of this Commitment or any modifications, amendments or successor agreements hereto.
7. Other Federal Requirements: The Borrower agrees to comply with the following federal laws and regulations as described in 24 C.F.R. 92.350 through 92.358.
 - (a) Equal Opportunity and Fair Housing and Affirmative Marketing: In accordance with 24 C.F.R. Parts 92.350 and 92.351 and Rule 67-48.014(10), Florida Administrative Code, the Borrower certifies that tenant/home buyer was not denied the benefits of or subjected to discrimination in any activity funded in part with HOME funds on the grounds of race, color, national origin, sex, religion, or familial status or disability, or against persons or families on the basis of their having minor children.

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- (b) Displacement, relocation, and acquisition: In accordance with 24 C.F.R. Part 92.353, the Borrower certifies that HOME funds will not be used to displace an existing tenant. The applicant must comply with all applicable relocation requirements as stipulated by the Uniform Relocation Act and Section 104d.
- (c) Labor: Every contract for the development (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing (as attached to the General Contract) in the locality, as predetermined by the U.S. Secretary of Labor pursuant to the Davis Bacon Act (40 U.S.C. 3142-3144, 3146 and 3147), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3706 and 3708), the Copeland Act (Anti-Kickback Act), (40 U.S.C. 3145) and the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201, et seq.)
- (d) Section 3: The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135]. Section 3 applies to recipients of funding exceeding \$200,000 for activities involving housing construction, demolition, rehabilitation, or other public construction, i.e. roads, sewers, community centers, etc. Contractors or subcontractors that receive contracts in excess of \$100,000 for Section 3 covered projects/activities are required to comply with the Section 3 regulations in the same manner as direct recipients. Recipients of funding must ensure that certain employment and economic opportunities are, to the greatest extent feasible, directed to Section 3 Residents and Section 3 Business Concerns.
- (e) Lead-based Paint: In accordance with 24 C.F.R. 92.355, the Borrower certifies that HOME-assisted housing constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Act and is, therefore, subject to 24 C.F.R. Part 35. For HOME-assisted housing built prior to 1978, Borrower should have participants read and understand the provisions pertaining to lead-based paint.
- (f) Conflict of Interest: In accordance with 24 C.F.R. 92.356, 24 C.F.R. 85.36 and 84.42, the Borrower certifies that no persons that have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

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- (g) Debarment and Suspension: In accordance with 24 C.F.R. 24, the Borrower must provide certification (contractor certification) that neither they nor their principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in receiving HOME funds.
- (h) Flood Insurance: Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), HOME funds may not be used with respect to the acquisition, new construction, or rehabilitation of a Development located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless reviewed and approved by Florida Housing in accordance with Floodplain Management Executive Order (EO) 11988.
8. Affirmative Marketing: The affirmative marketing procedures and requirements shall include, but need not be limited to, those specified in 24 C.F.R. 92.351(b). *The Borrower must submit an Affirmative Fair Housing Marketing Plan (HUD Form 935.2A) along with the Acceptance of Commitment.* The form can be found at the following link:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud9a.
Should you have questions in regards to this information please contact the Asset Management Department at Florida Housing.
9. Requests for disbursements of funds: The Borrower may not request disbursement of funds under this Commitment until the funds are needed for payment of eligible costs. (Eligible cost must be identified and agreed to prior to the closing of this Loan.) In addition, the disbursement of funds pursuant to Rule Chapter 67-48, Florida Administrative Code must be followed.
10. Reversion of Assets: The Borrower agrees to transfer remaining HOME funds, if any to Florida Housing upon completion of the Development.
11. Records and Reports: The Borrower shall maintain records sufficient to meet the requirement of 24 C.F.R. 92.508 (a)(2), Program records; (a)(3), Project records; (a)(5), Financial records; (a)(6), Program administration records; (a)(7)(i), Equal opportunity and fair housing records and (a)(7)(ii), Affirmative marketing and MBE/WBE records. All records and reports herein shall be retained and made accessible as provided in 24 C.F.R. 92.508 (c) and (d).
12. Enforcement of the Land Use Restriction Agreement: The Land Use Restriction Agreement to be executed by the Borrower in connection with this Loan will contain all covenants, restrictions and limitations with respect to the Development and the Premises established within this Commitment and will be recorded prior to any other document.
13. Duration of the Land Use Restriction Agreement: Said Land Use Restriction Agreement and terms outlined in this Commitment shall be in effect for a minimum of 50 years.
14. Monitoring: The Borrower agrees to do all things necessary to assist Florida Housing in carrying

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- out its monitoring responsibilities as required by 24 C.F.R. 92.504(d), which include on-site inspection of the Development at least annually to determine compliance with housing codes and the requirements of the federal HOME program regulations.
15. The Premises must provide safe, sanitary and decent residential rental housing for low-income persons or households.
 16. Applicant and Contractor shall satisfy and comply with all requirements and provisions of 42 U.S.C. 12701 et seq., Section 420.5089, Florida Statutes, 24 C.F.R. Part 92, and Chapter 67-48, Florida Administrative Code, as now or hereafter in effect.
 17. Religious Organizations: If the Borrower is or was created by a religious organization, it is hereby agreed that all HOME funds disbursed under this Commitment shall be subject to the conditions, restrictions and limitations in 24 C.F.R. 92.257.
 18. If applicable, within thirty (30) days after the execution of the Note and Mortgage contemplated by this Commitment, the Borrower shall submit a plan for the relocation of current tenants in compliance with 24 C.F.R. 92.353, which plan shall be satisfactory to Florida Housing.
 19. Conditions: Florida Housing's commitment to make the Loan is conditioned upon the following:
 - (a) Compliance with all provisions of sections 420.507 and 420.5089, Florida Statutes, Rule Chapter 67-48, Florida Administrative Code ("F.A.C."), including but not limited to the Application commitments, and 24 CFR Part 92 and all other applicable state and Federal rules.
 - (b) Achievement or completion of all terms, conditions, and requirements of the credit underwriting report dated April 24, 2015, and approved at Florida Housing's Board meeting on May 8, 2015, to the satisfaction of Florida Housing.
 - (c) Pursuant to Rule Chapter 67-48, F.A.C., the Loan, and any other mortgage loans related to the Development must close no later than August 18, 2015, unless otherwise approved by the Board.
 - (d) The Servicer and our legal counsel must receive all requested information, as set forth in the credit underwriting report, in order for the Servicer to deliver a sign-off letter to Florida Housing and its legal counsel one week prior to closing. Failure to receive the sign-off letter indicating that all terms, conditions and requirements of the credit underwriting report have been satisfied one week before scheduled closing date may result in a delay of the closing.
 - (e) Failure to return the Acceptance of Commitment, Project Information and Affirmative Fair Housing Marketing Plan by **May 28, 2015**, will render this commitment letter void.

If the closing does not or cannot take place by August 18, 2015, and you wish to request an extension, please be advised that in accordance with the HOME Rule, 67-48.0072 (26), F.A.C., the Borrower

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must submit in writing to the program administrator a request that shall contain the specific reasons for requesting an extension and detail the time frame for closing the Loan. The written request for an extension must be submitted by staff to the Board of Directors for consideration. The Board shall consider the facts and circumstances of each Applicant's request and any credit underwriting report, if available, prior to determining whether to grant the requested extension. The Corporation shall charge an extension fee of one-half of one percent of the Loan amount if the Board approves the request to extend the commitment beyond August 18, 2015.

Notwithstanding any provision of this Agreement, the parties agree and acknowledge that this Agreement constitutes a conditional commitment for funds, and that such conditional commitment for funds is subject to the satisfactory completion of an environmental review and receipt by Florida Housing of a release of funds from the U. S. Department of Housing and Urban Development [or the State of Florida] under 24 CFR Part 58. The parties further agree that the provision of any funds to the project is conditioned on Florida Housing's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

Florida Housing shall require payment of fees incurred for credit underwriting services, environmental review, and or closing cost if you withdraw from funding.

Florida Housing commends Cornell Colony, LLC for providing affordable housing to the low-income citizens of Florida.

Sincerely,



David R. Westcott
Director of Homeownership Programs

cc: Nicole Gibson, Assistant Director Homeownership Programs
Tammy Bearden, Loan Closing Manager
Elizabeth Thorp, Multifamily Programs Manager
~~Jan Carpenter, Latham, Shuker, Eden & Beaudine, LLP~~
Josh Bowersox, AmeriNational Community Services, Inc.
Michael Drapkin, AmeriNational Community Services, Inc.

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ACCEPTANCE OF COMMITMENT

(Cornell Colony / 2014-404H)

Borrower certifies to Florida Housing by accepting this commitment, dated May 18, 2015, that all information provided by Borrower to Florida Housing and its credit underwriter is true and correct in all respects to the best of Borrower's knowledge. Borrower agrees to immediately notify Florida Housing if there are any material adverse changes in condition in the structure or ownership of the Borrower or any information provided to Florida Housing or its credit underwriting.

The parties agree that this commitment shall survive the closing of the Loan and that each and every one of the terms, conditions, requirements, obligations and undertakings of the Borrower and any guarantors set forth in this commitment shall be continuing obligations and undertakings and shall not cease or terminate until the entire Loan, together with all interest and fees due thereon and any other amounts which may accrue pursuant to this commitment and/or the documents executed pursuant hereto, shall have been paid in full, and until the obligations and undertakings of the Borrower and any guarantors shall have been fully completed and discharged. The closing of the Loan shall not be deemed a waiver of any of the terms, conditions or requirements and the failure of the Borrower to comply with such terms, conditions and requirements shall be deemed a default under the documents evidencing or securing the Loan. If this commitment is being signed by fewer than all parties (Borrower, partners, managers, members, or trustees of the Borrower and all Guarantors), the undersigned certifies and warrants to Florida Housing that the undersigned has been duly authorized to execute and deliver this commitment for and on behalf of, and as agents for, and can legally bind any such party whose signature does not appear below.

The undersigned accepts the
Above-described HOME Loan commitment this
22nd day of MAY, 2015.

Cornell Colony, LLC (Borrower)

By: [Signature], signature of Authorized Representative

Print Name: LARRY P. SHOEMAN

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 12/31/2016)

1a. Project Name & Address (including City, County, State & Zip Code)		1b. Project Contract Number	1c. No. of Units
Cornell Colony C/O Avon Park Housing Authority P. O. Box 1327, Avon Park, Florida 33826-1328		2014-404H	44
		1d. Census Tract	
		9602	
		1e. Housing/Expanded Housing Market Area	
		Housing Market Area: Highlands County Expanded Housing Market Area: Heartland Region	

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address
 Avon Park Housing Authority, P.O. Box 1327 Avon Park, FL 33826-1327, (863) 452, 4432 email: director@avonparkha.org

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address
 Cornell Colony, 38165 Ezra Circle, Avon Park, Florida 33825, (863) 452, 4432 email: director@avonparkha.org

1h. Entity Responsible for Marketing (check all that apply)
 Owner Agent Other (specify) _____
 Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address
 Avon Park Housing Authority, P.O. Box 1327 Avon Park, FL 33826-1327, (863) 452, 4432 email: director@avonparkha.org

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.
 Avon Park Housing Authority, P.O. Box 1327 Avon Park, FL 33826-1327, (863) 452, 4432 email: director@avonparkha.org

2a. Affirmative Fair Housing Marketing Plan
 Plan Type Date of the First Approved AFHMP:
 Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)
 Elderly Family Mixed (Elderly/Disabled) Disabled

2c. Date of Initial Occupancy

2d. Advertising Start Date
 Advertising must begin *at least* 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.
 Date advertising began or will begin
For existing projects, select below the reason advertising will be used:
 To fill existing unit vacancies
 To place applicants on a waiting list (which currently has individuals)
 To reopen a closed waiting list (which currently has individuals)

3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

- White American Indian or Alaska Native Asian Black or African American
 Native Hawaiian or Other Pacific Islander Hispanic or Latino Persons with Disabilities
 Families with Children Other ethnic group, religion, etc. (specify)

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.

If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify) APHA Main administrative office

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify) APHA Main administrative office

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be 4 x 8
The Equal Housing Opportunity logo or slogan or statement will be 7 x 8 Community Building

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

The APHA utilizes survey cards that promotes public feedback from potential applicants as to ease and access to the APHA's application process. The APHA further receives email comment exchanges from the agency's website when applicants are applying for housing through the website portal. The Authority will continue to review its application taking process monthly and exercise the appropriate outreach efforts to promote and expand its initial marketing efforts to attract individuals less likely to apply. The APHA will also make available paper applications for individuals with disabilities that require assistance.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

Director of Housing, Assistant Housing Manager and Executive Director.

7b. Staff Training and Assessment: AFHMP

(1) Has staff been trained on the AFHMP? Yes

(2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? Yes

(3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

Staff FH&EO Training is provided to APHA staff through two sources; 1). First Housing workshop trainings and 2). Florida Housing Credit online training courses. On-line HUD access and training to staff.

(4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act? Yes

(5) If yes, how and how often?

Quarterly

7c. Tenant Selection Training/Staff

(1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences? Yes

(2) What staff positions are/will be responsible for tenant selection?

Assistant Housing Manager, Processing Clerk, Director of Housing

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

Director of Housing - Fair Housing Training - October 24, 2011, Fair Housing Summit - April 29, 2014 - First Housing University - February 2015. Management staff and reference manual available to assist all staff with questions and provide in-house training.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Larry P. Shoeman 05/22/2015
Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)
Larry P. Shoeman

Title & Name of Company
Executive Director, Avon Park Housing Authority

For HUD-Office of Housing Use Only
Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Approval Disapproval

Signature & Date (mm/dd/yyyy) Signature & Date (mm/dd/yyyy)

Name (type or print)
[]

Title
[]

Name (type or print)
[]

Title
[]

**AVON PARK HOUSING DEVELOPMENT CORPORATION
RESOLUTION NO. 15-04**

**REGULAR MEETING OF
AVON PARK HOUSING DEVELOPMENT CORPORATION,
THE SOLE MEMBER OF CORNELL COLONY LLC**

A RESOLUTION AUTHORIZING - THE EXECUTION, DELIVERY AND FILING OF THE CORNELL COLONY LLC OPERATING AGREEMENT NECESSARY IN CONNECTION WITH THE DEVELOPMENT, CONSTRUCTION, FINANCING, OWNERSHIP, OPERATION, OR OTHERWISE OF THE CORNELL COLONY PROJECT

Avon Park Housing Development Corporation (the "Corporation"), the sole member of Cornell Colony LLC, a Florida limited liability company (the "Company"), adopted and approved the following recitals and resolutions at a Regular Meeting of the board of directors of the Corporation held this 21st day of July, 2015.

WHEREAS, the Corporation is the sole member of the Company.

WHEREAS, the Corporation has reviewed Cornell Colony Operating Agreement, incorporated by reference herein and as more fully described on Exhibit A attached hereto, and which bind the Company and/or the Corporation in connection with the development, construction, financing, ownership, operation or are otherwise related to the project known as Cornell Colony (altogether hereinafter referred to as the "Project Agreements").

WHEREAS, the Corporation believes it in its best interest to adopt the Operating Agreement in order to comply with and adopt certain language required by the Florida Housing Finance Corporation ("FHFC") in connection with certain HOME mortgage loan required by FHFC.

WHEREAS, the Corporation believes it to be in the best interest of the Company and the Corporation to enter into, consummate and carry out the obligations of the Company and the Corporation under the Agreement, as applicable, and to ratify certain actions by the Company and the Corporation relating thereto.

NOW, THEREFORE, BE IT RESOLVED, that the Operating Agreement and transactions contemplated thereby be, and each hereby is, approved and the Company and the Corporation shall be and are hereby authorized and directed to enter into the Agreement.

RESOLVED, that the Operating Agreement be hereby adopted to include certain amendatory language required by FHFC in connection with that certain HOME mortgage loan required by FHFC and adopted.

RESOLVED, that Larry P. Shoeman, as Secretary of the Corporation, and/or April Harris, as President of the Corporation, shall be and are hereby authorized, empowered and directed, by and on behalf of the Corporation and the Company, to execute, deliver, and file the Operating Agreement and take such actions as either of them may deem reasonably necessary to enter into, consummate and perform the transactions, rights and obligations contemplated by the Agreement, and, if applicable, to negotiate and finalize and to amend and modify such Agreement to the extent either of them or the Corporation's legal counsel may deem necessary or appropriate, and to take all actions necessary in connection with the development, construction, financing, ownership, operation, or otherwise of the

project as described in the Agreement.

FURTHER RESOLVED, that the Operating Agreement entered into, actions taken and all decisions and statements made by the Corporation and/or the Company through the date hereof with respect to or in connection with the development, construction, operation and ownership of the project as described in the Agreement, is hereby ratified, confirmed and approved in all respects, provided such agreement entered into, actions taken or decisions or statements made were made in good faith and believed to be in the best interests of the Corporation and/or the Company.

ADOPTED THIS 21TH DAY OF JULY, 2015.

Accepted: _____

Attest: _____

SEAL

EXHIBIT A

OPERATING AGREEMENT
OF
CORNELL COLONY LLC

OPERATING AGREEMENT

OF

CORNELL COLONY LLC

THIS OPERATING AGREEMENT (the "Agreement") is entered into by the undersigned, being the sole member (the "Member") of **CORNELL COLONY LLC**, a Florida limited liability company (the "Company"), dated as of June 12, 2014.

RECITAL

WHEREAS, the Member desires to form the Company under the Florida Revised Limited Liability Company Act (the "Act") for the purposes set forth herein, and, accordingly, desires to enter into this Agreement in order to set forth the terms and conditions of the business and affairs of the Company and to determine the rights and obligations of its Member.

NOW, THEREFORE, the Member, intending to be legally bound by this Agreement, hereby agrees as follows:

1. Organization. The Member hereby organizes the Company as a single-member Florida limited liability company pursuant to the Act.
2. Purpose, Powers. The purpose of the Company shall be to engage in any lawful business that may be engaged in by a limited liability company organized under the Act. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Section 2. The Company shall have all powers of a limited liability company under the Act and the power to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Section 2.
3. Capital. The Member shall have no obligation to make any initial capital contributions to the Company. The Member may make future contributions of capital to the Company as the Manager determines are necessary, appropriate or desirable.
4. Management. The full and exclusive right, power, and authority to manage the affairs of the Company, to make all decisions with respect thereto and to do or cause to be done any and all acts or things deemed to be necessary, appropriate or desirable to carry out or further the business of the Company shall be vested in the Manager. The name and address of the initial Manager is:

Avon Park Housing Development Corporation.
21 Tulane Drive

Avon Park, Florida 33825

5. Liability of the Manager and the Member. Except as otherwise provided by the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and the Manager and the Member shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being the Manager or the Member, respectively.

6. Indemnification. The Company shall indemnify the Manager and the Member and their respective agents, affiliates, successors, or assigns (individually, an "Indemnified Party") against any and all judgments, costs, losses, liabilities, and damages (including attorneys' fees and expenses) paid or incurred by the Indemnified Party in connection with the activities of the Company or in dealing with third parties on behalf of the Company, to the fullest extent provided or allowed by law.

7. Dissolution and Winding-up of the Company. The Company shall be dissolved upon the first to occur of: (a) the written consent of the Member; or (b) the entry of a decree of judicial dissolution under the Act.

8. Amendment. This Agreement may not be altered or modified except by a written agreement executed by the Member.

IN WITNESS WHEREOF, this Agreement has been made and executed by the Member effective as of the date first written above.

MEMBER:

AVON PARK HOUSING DEVELOPMENT
CORPORATION, a Florida not-for-profit
corporation

By: 

Larry P. Shoeman, Secretary

**AVON PARK HOUSING DEVELOPMENT CORPORATION
RESOLUTION NO. 15-04**

**REGULAR MEETING OF
AVON PARK HOUSING DEVELOPMENT CORPORATION,
THE SOLE MEMBER OF CORNELL COLONY LLC**

A RESOLUTION AUTHORIZING - THE EXECUTION OF THE OPERATING AGREEMENT OF CORNELL COLONY LLC, THE AMENDED AND RESTATED OPERATING AGREEMENT OF CORNELL COLONY LLC, THE OPERATING AGREEMENT OF CORNELL COLONY DEVELOPER LLC, AND THE DEVELOPMENT AGREEMENT

Avon Park Housing Development Corporation (the "Corporation") adopted and approved the following recitals and resolutions at a Regular Meeting of the board of directors of the Corporation held this 21st day of July, 2015.

WHEREAS, the Corporation is the sole member of Cornell Colony LLC, a Florida limited liability company (the "Owner"), which is the owner of the Cornell Colony development ("the Development").

WHEREAS, the Corporation is the sole member of APHDC-Cornell Colony LLC, a Florida limited liability company (the "APHDC Developer Member"), which is a member of Cornell Colony Developer LLC, a Florida limited liability company (the "Developer"), which is the developer of the Development.

WHEREAS, the Board of Directors believes it is in its best interest of the Corporation to enter into the Operating Agreement of the Owner, as attached hereto and incorporated herein as Exhibit A (the "Owner Operating Agreement").

WHEREAS, the Board of Directors believes it is in its best interest of the Corporation to enter into the Amended and Restated Operating Agreement of the Owner, as attached hereto and incorporated herein as Exhibit B (the "A&R Owner Operating Agreement").

WHEREAS, the Board of Directors believes it is in its best interest of the APHDC Developer Member to enter into the Operating Agreement of the Developer, as attached hereto and incorporated herein as Exhibit C (the "Developer Operating Agreement").

WHEREAS, the Board of Directors believes it is in its best interest of the Owner and the Developer to enter into the Development Agreement, as attached hereto and incorporated herein as Exhibit D (the "Development Agreement").

NOW, THEREFORE, BE IT RESOLVED, that the Owner Operating Agreement, the A&R Owner Operating Agreement, the Developer Operating Agreement, and the Development Agreement (collectively, the Development Documents") and transactions contemplated thereby be, and each hereby are, ratified and approved, and the Owner, the Corporation, and the APHDC Developer Member shall be and are hereby authorized and directed to enter into the Development Documents.

RESOLVED, that Larry P. Shoeman, as Secretary of the Corporation, and/or April Harris, as President of the Corporation, shall be and are hereby authorized, empowered and directed, by and on behalf of the Owner, the Corporation, and the APHDC Developer Member, to execute and deliver the

Development Documents and take such actions as either of them may deem reasonably necessary to enter into, consummate, and perform the transactions, rights and obligations contemplated by the Development Documents, and, if applicable, to negotiate and finalize and to amend and modify such Development Documents to the extent either of them or the Corporation's legal counsel may deem necessary or appropriate, and to take all actions necessary in connection with the development, construction, financing, ownership, operation, or otherwise of the Development as described in the Development Documents.

FURTHER RESOLVED, that actions taken and all decisions and statements made by the Owner, the Corporation, and/or the APHDC Developer Member through the date hereof with respect to or in connection with the Development, is hereby ratified, confirmed, and approved in all respects, provided such actions taken or decisions or statements made were made in good faith and believed to be in the best interests of the Owner, the Corporation, and/or the APHDC Developer Member.

ADOPTED THIS 21TH DAY OF JULY, 2015.

Accepted: _____

Attest: _____

SEAL

EXHIBIT A

Owner Operating Agreement

OPERATING AGREEMENT

OF

CORNELL COLONY, LLC

OPERATING AGREEMENT

OF

CORNELL COLONY LLC

THIS OPERATING AGREEMENT (the "Agreement") is entered into by the undersigned, being the sole member (the "Member") of **CORNELL COLONY LLC**, a Florida limited liability company (the "Company"), dated as of June 12, 2014.

RECITAL

WHEREAS, the Member desires to form the Company under the Florida Revised Limited Liability Company Act (the "Act") for the purposes set forth herein, and, accordingly, desire to enter into this Agreement in order to set forth the terms and conditions of the business and affairs of the Company and to determine the rights and obligations of its Member.

NOW, THEREFORE, the Member, intending to be legally bound by this Agreement, hereby agrees that the limited liability company operating agreement of the Company shall be as follows:

1. Organization. The Member hereby organizes the Company as a single-member Florida limited liability company pursuant to the Act.
2. Purpose, Powers. The purpose of the Company shall be to engage in any lawful business that may be engaged in by a limited liability company organized under the Act. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Section 2. The Company shall have all powers of a limited liability company under the Act and the power to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Section 2.
3. Capital. The Member shall have no obligation to make any initial capital contributions to the Company. The Member may make future contributions of capital to the Company as the Manager determines are necessary, appropriate or desirable.
4. Management. The full and exclusive right, power and authority to manage the affairs of the Company, to make all decisions with respect thereto and to do or cause to be done any and all acts or things deemed to be necessary, appropriate or desirable to carry out or further the business of the Company shall be vested in the Manager. The name and address of the initial Manager is:

Avon Park Housing Development Corporation.
21 Tulane Drive

5. Liability of the Manager and the Member. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Manager and the Member shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being the Manager or the Member, respectively.

6. Indemnification. The Company shall indemnify the Manager and the Member and their respective agents, affiliates, successors, or assigns (individually, an "Indemnified Party") against any and all judgments, costs, losses, liabilities and damages (including attorneys' fees and expenses) paid or incurred by the Indemnified Party in connection with the activities of the Company or in dealing with third parties on behalf of the Company, to the fullest extent provided or allowed by law.

7. Dissolution and Winding-up of the Company. The Company shall be dissolved upon the first to occur of: (a) the written consent of the Member; or (b) the entry of a decree of judicial dissolution under the Act.

8. Amendment. This Agreement may not be altered or modified except by a written agreement executed by the Member.

IN WITNESS WHEREOF, this Agreement has been made and executed by the Member effective as of the date first written above.

MEMBER:

AVON PARK HOUSING DEVELOPMENT
CORPORATION, a Florida not-for-profit
corporation

By: 

Larry P. Shoeman, Secretary

EXHIBIT B

A&R Owner Operating Agreement

**AMENDED AND RESTATED OPERATING AGREEMENT
OF
CORNELL COLONY LLC**

THIS AMENDED AND RESTATED OPERATING AGREEMENT (the “Operating Agreement”) is dated effective as of June 12, 2014, by Avon Park Housing Development Corporation, a Florida non-profit corporation (“APHDC”), as the sole member of Cornell Colony LLC, a Florida limited liability company (the “Company”).

RECITAL

WHEREAS, the Company was formed as a limited liability company under the Act (as defined below) pursuant to that certain Operating Agreement of Cornell Colony LLC dated as of June 12, 2014 (the “Original Operating Agreement”) and that certain Articles of Organization filed with the State of Florida on June 12, 2014.

WHEREAS, the purpose of this Operating Agreement is to (i) admit Heartland Development Group LLC, a Florida limited liability company (“Heartland”) as a Manager (as defined below); and (ii) set out more fully the rights, obligations, and duties of the Member (as defined below) and the Managers.

NOW, THEREFORE, it is agreed and certified, and the Original Operating Agreement is hereby amended and restated in its entirety, as follows:

**ARTICLE 1.
DEFINITIONS**

When used in this Operating Agreement, the following terms shall have the meanings set forth below.

1.1 “Act” means the Florida Revised Limited Liability Company Act, as amended from time to time, Chapter 605, Florida Statutes (or the corresponding provision(s) of any succeeding law).

1.2 “Affiliate” means, when used with reference to a specified Person: (i) any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person; (ii) any Person that, directly or indirectly, is the beneficial owner of ten percent (10%) or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of ten percent (10%) or more of any class of equity securities; (iii) any Person who is an officer, director, general partner, member, manager, trustee of, or serves in a similar capacity with respect to, any of the foregoing; or (iv) any member of the immediate family of such Person.

**AMENDED AND RESTATED OPERATING AGREEMENT
OF
CORNELL COLONY LLC**

THIS AMENDED AND RESTATED OPERATING AGREEMENT (the “Operating Agreement”) is dated effective as of June 12, 2014, by Avon Park Housing Development Corporation, a Florida non-profit corporation (“APHDC”), as the sole member of Cornell Colony LLC, a Florida limited liability company (the “Company”).

RECITAL

WHEREAS, the Company was formed as a limited liability company under the Act (as defined below) pursuant to that certain Operating Agreement of Cornell Colony LLC dated as of June 12, 2014 (the “Original Operating Agreement”) and that certain Articles of Organization filed with the State of Florida on June 12, 2014.

WHEREAS, the purpose of this Operating Agreement is to (i) admit Heartland Development Group LLC, a Florida limited liability company (“Heartland”) as a Manager (as defined below); and (ii) set out more fully the rights, obligations, and duties of the Member (as defined below) and the Managers.

NOW, THEREFORE, it is agreed and certified, and the Original Operating Agreement is hereby amended and restated in its entirety, as follows:

**ARTICLE 1.
DEFINITIONS**

When used in this Operating Agreement, the following terms shall have the meanings set forth below.

1.1 “Act” means the Florida Revised Limited Liability Company Act, as amended from time to time, Chapter 605, Florida Statutes (or the corresponding provision(s) of any succeeding law).

1.2 “Affiliate” means, when used with reference to a specified Person: (i) any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person; (ii) any Person that, directly or indirectly, is the beneficial owner of ten percent (10%) or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of ten percent (10%) or more of any class of equity securities; (iii) any Person who is an officer, director, general partner, member, manager, trustee of, or serves in a similar capacity with respect to, any of the foregoing; or (iv) any member of the immediate family of such Person.

ARTICLE 3.

PURPOSE; NATURE OF BUSINESS

3.1 Purpose; Nature of Business. The purpose of the Company shall be to engage in any lawful business that may be engaged in by a limited liability company organized under the Act. The Company desires to obtain the rights to own a certain residential property located within the City of Avon Park (“City”), located at 517 W. Cornell Street, Avon Park, Highlands County, Florida, 33825, being more particularly described on Schedule B attached hereto (the “Project”). The Project will consist of up to 44 single family homes, each consisting of three bedrooms and two bathrooms, as well as a clubhouse, playground, and open space. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Section 3.1.

3.2 Powers. The Company shall have all powers of a limited liability company under the Act and the power to do all things necessary or convenient to accomplish its purpose and operate its business as described in Section 3.1.

ARTICLE 4.

CAPITAL CONTRIBUTION

4.1 Initial Capital Contribution. The Member has made a capital contribution to the Company in the amount of cash set forth on Schedule A attached hereto.

4.2 Additional Capital Contributions. The Member shall not be obligated to make any additional Capital Contributions to the Company. The Member may, but shall not be obligated to, make any additional Capital Contributions to the Company at such time and in such amounts as the Managers determine are necessary, appropriate or desirable.

4.3 Return of Capital Contributions. Unless otherwise provided by law, it being expressly agreed that any return of capital pursuant to this Operating Agreement shall be made solely from the assets (which shall not include any right of contribution from the Member) of the Company.

ARTICLE 5.

DISTRIBUTIONS AND ALLOCATIONS

5.1 Distributions. All distributions of cash or other assets of the Company shall be made and paid to the Member at such times as the Managers shall determine.

5.2 Allocations. All of the Company’s income, gains, losses, deductions and credits (and items thereof), for each fiscal year of the Company, shall be reported by the Member for income tax purposes consistent with the provisions of Section 6.1.

ARTICLE 6.

TAXATION

6.1 Tax Status. Notwithstanding any provision of this Agreement to the contrary, it is the intention of the Member that the Company be disregarded solely for federal, state and local income tax purposes. Accordingly, unless otherwise approved by the Member or required by law, the Company shall not apply for any tax identification number or prepare or file any federal, state or local income tax return. The Company shall, as soon as is practicable after the end of each fiscal year, prepare a statement setting forth each item of income, gain, loss, deduction and credit and forward the same to the Member who shall report each such item on its income tax return as required by applicable law. Nothing in this Section shall not be construed to extend the purposes or expand the obligations or liabilities of the Company or the Member.

ARTICLE 7.

RIGHTS, POWER AND AUTHORITY OF THE MANAGER AND THE MEMBER

7.1 Management of the Company.

(a) Initially, there shall be two (2) Managers of the Company. APHDC and Heartland are hereby appointed as the initial Managers of the Company. The Managers shall have the full and exclusive right, power, and authority to manage the affairs of the Company and to bind the Company, to make all decisions with respect thereto, and to do or cause to be done any and all acts or things deemed to be necessary, appropriate or desirable to carry out or further the business of the Company. The Managers may cause the Company to pay the Company's operating expenses out of cash receipts received by the Company, which shall, notwithstanding any other provision of this Operating Agreement, be distributed in accordance with Section 5.1. Heartland shall serve as a Manager until stabilized operations of the Project and the release of Heartland from the construction completion guarantee and the operating deficit guaranty, at which time APHDC shall automatically become the sole Manager.

(b) The Managers shall use commercially reasonable efforts to manage the Company's business with all rights and powers generally conferred by law or necessary, advisable or consistent with such responsibility.

(c) In performing their respective duties, the Managers and Member shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case, prepared and presented by one or more agents or employees of the Company whom such Manager or Member reasonably believes to be reliable and competent in the matters presented or counsel, public accountants or other persons as to matters which such Manager or Member reasonably believes to be within such person's professional or expert competence.

(d) No Manager or Member shall be liable for actions taken as a manager or member of the Company, or for failure to take actions, if such Manager or Member performed its duties in compliance with this Section 7.1.

(e) The Managers shall be authorized to draw checks upon the bank accounts of the Company and to make, deliver, accept, and endorse any commercial paper in connection with the business and affairs of the Company. Other than the Managers, no Member shall on behalf of the Company borrow or lend money, or make, deliver, accept or endorse any commercial paper, or execute any mortgage, security agreement, bond, or lease or purchase or contract to purchase any property of the Company, without the prior written consent of the Managers.

(f) The Managers shall have all the rights and powers of a manager as provided by law, and any action taken by the Managers in accordance with this Operating Agreement shall constitute an act of and serve to bind the Company.

(g) Notwithstanding anything in this Operating Agreement to the contrary, any action to be taken, or decision to be made, by the Managers in this Agreement shall be taken or made together by both Managers. If the Managers are unable to agree on any action or decision, then Article 12 shall apply.

7.2 Action by the Member. Except as otherwise expressly set forth in this Operating Agreement (including, without limitation, Section 7.1) or as otherwise expressly required by the Act, the Member shall have no right, power or authority to manage the affairs of the Company or to bind the Company or to make any decisions with respect thereto.

7.3 Execution of Documents. Notwithstanding anything to the contrary contained in this Operating Agreement, all contracts, agreements, documents or instruments purporting to bind the Company or to convey or encumber assets of the Company shall be signed by the Managers.

7.4 Limitations on Powers of the Member. Except as expressly authorized by this Operating Agreement, the Member shall not, directly or indirectly, (a) resign, retire or withdraw from the Company, (b) dissolve, terminate or liquidate the Company, (c) petition a court for the dissolution, termination or liquidation of the Company or (d) cause any property of the Company to be subject to the authority of any court, trustee or receiver (including suits for partition and bankruptcy, insolvency and similar proceedings).

7.5 Other Interests. The Member and any Affiliates of the Member, and any person holding a legal or beneficial interest in the Member or any Affiliate of the Member, may engage in or possess an interest in other business ventures which may be competitive with the business of, or which may transact business with, the Company, including, but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property. Neither the Company nor the Member shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived from them.

ARTICLE 8.

TRANSFER OF INTERESTS; ADMISSION OF ADDITIONAL MEMBERS

8.1 Restrictions on Transfer.

(a) Except as provided in Section 8.1(b), without the prior, written consent of the Managers, the Member will not, directly or indirectly and whether by operation of law or otherwise, exchange, sell, bequeath, pledge, mortgage, hypothecate, encumber, distribute, transfer, give, assign or in any other manner whatsoever dispose or attempt to dispose of (each of the foregoing, when used as a noun, being a “Disposition,” and when used as a verb, to “Dispose”) the whole or any part of its Interest in the Company (including, but not limited to, its interest in the capital or profits of or distributions by the Company) at any time. Any attempted Disposition of the whole or any part of an Interest not in compliance with this Article 8 shall be null and void and the intended transferee shall be deemed never to have had any interest of any nature whatsoever therein.

(b) Notwithstanding Section 8.1(a), the Member may Dispose of its Interest in the Company to an Affiliate of the Member without the prior written consent of the Managers, but only if such Disposition is made in compliance with, and otherwise in accordance with, the rules and regulations of the Florida Housing Finance Corporation and the requirements of the Project’s lenders.

8.2 Effect of Transfer. Notwithstanding anything to the contrary contained in this Operating Agreement, no transferee of an Interest in the Company (or any interest in the capital or profits of or distributions by the Company) shall be admitted as a Member of the Company without the prior written consent of the Managers. In the event of any Disposition permitted under this Operating Agreement, the Company shall not be dissolved or wound up. No Disposition shall relieve the assignor from any of its obligations under this Operating Agreement arising prior to such Disposition (it being understood that, except as otherwise provided herein, the assignor may be relieved of such obligations to the extent the same arise after such Disposition and the same are assumed in writing by the transferee). Additionally, notwithstanding the foregoing, as a condition precedent to any Disposition by the Member and the transferee being admitted as a Member, the transferee must execute a counterpart to this Operating Agreement (as amended) in form acceptable to the Managers and agree to be bound by all of the terms and provisions hereof.

8.3 Additional Members. Upon the prior written consent of the Managers, a Person may become an additional Member of the Company by the issuance by the Company of Interests for such consideration as the Managers shall determine. Notwithstanding the foregoing, as a condition precedent to a Person being admitted as an additional Member of the Company a Person must execute a counterpart to this Operating Agreement (as amended) in form acceptable to the Managers and agree to be bound by all of the terms and provisions hereof.

ARTICLE 9.

DISSOLUTION AND WINDING UP

9.1 Events of Dissolution. The Company shall be dissolved upon the first to occur of (a) the written consent of the Member, and (b) the entry of a decree of judicial dissolution under the Act.

9.2 Winding Up.

(a) Manner of Winding Up. In the event of the dissolution of the Company for any reason, the Managers shall commence to wind up the affairs of the Company and to liquidate its investments. The Managers shall prepare a plan, method or procedure for the orderly winding up of the Company. Any proceeds from liquidation, together with any assets which the Managers determine to distribute in kind, shall be applied in the following order:

(i) First, the expenses of liquidation and the debts of the Company, including the debts and expenses of the Company to the Member as permitted by this Operating Agreement. Any reserves shall be established or continued which the Managers deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company or its liquidation. Such reserves shall be held by the Company for the purpose of disbursement in payment of any of the aforementioned contingencies; and

(ii) Second, at the expiration of such period as the Managers deem reasonably advisable, the Company shall distribute the remaining balance in accordance with Section 5.1.

(b) Administration of Winding Up. Any assets of the Company to be distributed in kind shall be distributed on the basis of the fair market value thereof.

9.3 Termination and Cancellation. Upon the completion of the liquidation of the Company and the distribution of all Company funds, the Company shall terminate and the Managers shall have the authority to execute and deliver Articles of Dissolution of the Company as well as any and all other documents required to effectuate the dissolution and termination of the Company.

ARTICLE 10.

ADMINISTRATION

10.1 Books and Records. The Managers shall keep, or cause to be kept, at the principal place of business of the Company true and correct books of account, in which shall be entered fully and accurately each and every transaction of the Company. The Company's books of account shall be kept in accordance with accepted federal income tax accounting principles, consistently applied, and for a fiscal period which is the calendar year.

10.2 Banking. All funds of the Company shall be deposited in its name in such federally-insured commercial bank or invested in such federally-insured savings and loan account or accounts, in such U.S. Treasury obligations, or in such bank certificates of deposit, as the Managers may

decide. All funds of the Company shall only be used for Company purposes as provided in this Operating Agreement and in accordance with the terms of this Operating Agreement.

10.3 Reporting Requirements. The Managers shall cause to be prepared and distributed to the Member (a) information necessary to complete the Member's federal income tax return and (b) the Company's annual financial information, in each case, as soon as available, but in any event within ninety (90) days after the end of each fiscal year. Such annual financial information of the Company shall include a balance sheet of the Company, as of the last day of the fiscal year, and statements of income, retained earnings, and cash flow, for such fiscal year, each prepared in accordance with generally accepted accounting principles consistently applied.

10.4 Accounting Decisions; Tax Elections. All decisions as to accounting matters and tax elections, except as specifically provided to the contrary in this Operating Agreement, shall be made by the Managers. The Managers may rely upon the advice of the Company's accountants and professional advisors in making such decisions.

ARTICLE 11.

LIMITATION OF LIABILITY; INDEMNIFICATION

11.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and neither the Managers nor the Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a manager or member of the Company, as the case may be. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or the management of its business or affairs under this Operating Agreement or the Act shall not be grounds for imposing personal liability on the Member for any debts, liabilities or obligations of the Company. Except as otherwise expressly required by law, the Member, in the Member's capacity as such, shall have no liability in excess of (a) the amount of such Member's net Capital Contributions, (b) the Member's share of any assets and undistributed profits of the Company and (c) the amount of any distributions required to be returned pursuant to Section 605.0406 of the Act.

11.2 Indemnification. The Company (including any receiver or trustee of the Company) shall, to the fullest extent provided or allowed by law, indemnify, save harmless and pay all judgments and claims against the Managers of the Company, the Member, and each of the Member's agents, Affiliates, successors and assigns (each, an "Indemnified Party") from, against, and in respect of any and all liability, loss, damage and expense incurred or sustained by the Indemnified Party in connection with the business of the Company or by reason of any act performed or omitted to be performed in connection with the activities of the Company or in dealing with third parties on behalf of the Company, including, without limitation, costs and attorneys' fees before and at trial and at all appellate levels, whether or not suit is instituted (which attorneys' fees may be paid as incurred), and any amounts expended in the settlement of any claims of liability, loss or damage, provided that the act or omission of the Indemnified Party does not constitute fraud or willful misconduct by such Indemnified Party.

11.3 Insurance. The Company shall not pay for any insurance covering liability of the Managers, the Member, or the Member's agents, Affiliates, successors and assigns for actions or omissions for which indemnification is not permitted under this Operating Agreement; provided, however, that nothing contained herein shall preclude the Company from purchasing and paying for such types of insurance, including, without limitation, extended coverage liability and casualty and worker's compensation, as would be customary for any Person owning, managing and/or operating comparable assets and property and engaged in a similar business or from naming the Managers, the Member, and the Member's agents, Affiliates, successors or assigns or any Indemnified Party as additional insured parties thereunder.

11.4 Non-Exclusive Right. The provisions of this Article 11 shall be in addition to and not in limitation of any other rights of indemnification and reimbursement or limitations of liability to which an Indemnified Party may be entitled under the Act, common law or otherwise. Notwithstanding any repeal of this Article 11 or other amendment hereof, its provisions shall be binding upon the Company (subject only to the exceptions above set forth) as to any claim, loss, expense, liability, action or damage due to or arising out of matters which occur during or relate to the period prior to any such repeal or amendment of this Article 11.

ARTICLE 12.

DISPUTE RESOLUTION

12.1 Resolution of Disputes. If a party hereto has a dispute arising out of or relating to this Agreement, then such party shall notify the other party in writing of such dispute (the "Dispute Notice"). The Dispute Notice shall provide details of the dispute, and shall be sent within a reasonable time after the dispute in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such dispute in question would be barred by the applicable statute of limitations. The parties shall attempt to settle the dispute set forth in the Dispute Notice first through good-faith negotiation, and if such dispute still remains, then the parties agree that such dispute shall be submitted to mediation in Highlands County, Florida, unless the parties mutually agree otherwise. This Agreement to mediate shall be specifically enforceable under the prevailing mediation law with respect to any demand for mediation filed prior to institution of other proceedings. Upon mediation of a dispute pursuant to this Article 12, the parties shall not be required to mediate such dispute again.

(a) The party initiating the mediation (the "Initiating Party") shall file notice of the demand for mediation ("Mediation Notice") in writing with the other party to this Agreement (the "Non-Initiating Party"). The Mediation Notice shall be sent within a reasonable time after the dispute in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such dispute in question would be barred by the applicable statute of limitations.

(b) The Mediation Notice shall name a mediator. If the Non-Initiating Party notifies the Initiating Party in writing that it objects to the selected mediator within fifteen (15) days of the Non-Initiating Party's receipt of the Mediation Notice, then the parties shall mutually agree on a mediator within fifteen (15) days of the Initiating Party's receipt of such notice of objection to the

selected mediator and, if the parties fail to timely select a mediator, then the Initiating Party shall have the option to file suit to determine the mediator. If the Non-Initiating Party fails to timely object to the selected mediator, the mediator selected by the Initiating Party shall hear and determine the matter. The mediator shall have at least five (5) years' experience with and knowledge of public housing and mixed-finance real estate development. The mediator shall be independent of the parties. The mediation shall be terminated by (i) the execution of a settlement agreement by the parties, (ii) a written declaration of the mediator to the effect that further efforts at mediation are no longer worthwhile, or (iii) a written declaration of a party or parties to the effect that the mediation proceedings are terminated after a good-faith effort to mediate the dispute(s) at issue.

(c) The same mediator shall mediate all disputes that are related to or dependent on each other.

(d) Unless otherwise agreed in writing, filing of Mediation Notice shall suspend the obligation of the parties to perform their respective obligations hereunder that are the subject matter of the Mediation Notice, provided however, that both parties shall continue to carry out their other obligations under this Agreement and with respect to the Project.

(e) Each party shall bear its own costs, if any, in any mediation pursuant to this Article 12; each party shall bear fifty percent (50%) of the costs of the mediator.

ARTICLE 13.

MISCELLANEOUS

13.1 Amendment. This Operating Agreement may not be altered or modified except by a written agreement executed by the Member and the Managers, which agreement by the Member and the Managers will not be unreasonably withheld, conditioned or delayed.

13.2 Binding Effect. Except as herein otherwise provided to the contrary, this Operating Agreement shall be binding upon and inure to the benefit of the undersigned and their successors and assigns.

13.3 Applicable Laws. This Operating Agreement and the rights and duties of the Member hereunder shall be governed by, and interpreted and construed in accordance with, the laws of the State of Florida. In the event of litigation, the parties agree that venue for the prosecution of any state court proceedings shall be Highlands County, Florida, and any federal court proceeding shall be the Southern District of Florida

13.4 Counterparts. This Operating Agreement may be executed in several counterparts, and all so executed shall constitute one Operating Agreement binding on the Member and the Managers, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

13.5 Provisions Severable. In the event any sentence, paragraph, provision, word, section or article of this Operating Agreement is declared by a court of competent jurisdiction to be void, such sentence, paragraph, provision, word, section or article shall be deemed severed from the remainder of this Operating Agreement and the balance of this Operating Agreement shall remain in effect.

13.6 Waiver. Any waiver by any party of any of its rights or remedies under this Operating Agreement or of any breach or violation of or default under this Operating Agreement must be in writing and signed by the party to be charged thereunder and shall not constitute a waiver of any of its other rights or remedies or of any other or future breach, violation or default hereunder.

13.7 Prevailing Party. In any suit or other proceeding by the Member against Developer, as a Manager, or the Company to enforce or interpret the terms and provisions of this Operating Agreement, the prevailing party shall be entitled to all reasonable costs and expenses incurred by it in connection therewith (including, without limitation, reasonable attorneys' fees and costs incurred before and at any trial and at all appellate levels), as well as all other relief granted or awarded in such suit or other proceeding.

13.8 Notice. All notices and other communications provided for herein shall be made in writing and mailed by certified or registered mail, delivered by hand or overnight courier service, or sent by electronic mail or facsimile, in each case to the addresses, email addresses or facsimile numbers of the Member and Managers set forth on Schedule A attached hereto. Notices shall be deemed to have been duly received (i) on the earlier of (A) confirmed receipt and (B) the third (3rd) business day after depositing such notice into the U.S. mail if sent by registered or certified mail, return receipt requested, postage prepaid, (ii) upon delivery if delivered by hand, (iii) on the first business day after sending if sent by a nationally recognized overnight courier service for next business day delivery, (iv) on the day confirmation is received of the recipient's facsimile number if sent by facsimile, or (v) on (X) the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment) or (Y) the day such notice is sent (provided such notice is followed by written notice delivered by certified or registered mail), if sent by electronic mail.

13.9 Headings. The article and section headings in this Operating Agreement are inserted as a matter of convenience and are for reference only and shall not be construed to define, limit, extend or describe the scope of this Operating Agreement or the intent of any provision.

13.10 Number and Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa and the masculine gender shall include the feminine and neuter genders, and vice versa.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, this Operating Agreement has been made and executed by the Member effective as of the date first written above.

MEMBER:

AVON PARK HOUSING DEVELOPMENT CORPORATION, a Florida non-profit corporation

By: _____
Larry Shoeman, Secretary

This Operating Agreement is acknowledged, and consented to, by the initial Managers effective as of the date first written above.

MANAGERS:

AVON PARK HOUSING DEVELOPMENT CORPORATION, a Florida non-profit corporation

By: _____
Larry Shoeman, Secretary

HEARTLAND DEVELOPMENT GROUP LLC, a Florida limited liability company

By: _____
Martin Wohl, Manager

SCHEDULE A

**NAME, ADDRESS, FACSIMILE NUMBER OF MEMBER AND MANAGERS AND
INITIAL CAPITAL CONTRIBUTION OF THE MEMBER**

<u>Name of Member</u>	<u>Value of Initial Capital Contribution of Member</u>	<u>Interest</u>
APHDC	\$100	100%

<u>Name of Manager</u>	<u>Address, Email Address and Facsimile Number of Manager</u>
APHDC	PO Box 1327 Avon Park, FL 33826-1327 Email: director@avonparkha.org Facsimile: (863) 452-5455
Heartland	3321 US 27 South Sebring, FL. 33870 Email: marty@marmerconstruction.com Facsimile: (863) 382-9851

SCHEDULE B

LEGAL DESCRIPTION OF PROPERTY AND THE PROJECT

All of the Replat of Blocks A, B, and C; or North 1/2 of TULANE SUBDIVISION, as recorded in Plat Book 2, Page 161, of the Public Records of Highlands County, Florida, being in the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 27, Township 33 South, Range 28 East.

Less & Accept the following Parcel of land:

A Portion of Block C, according to the Replat of Blocks A, B, & C, or N 1/2 of TULANE SUBDIVISION, located in the N.W. 1/4 of N.E. 1/4 of N.W. 1/4 of SECTION 27, TOWNSHIP 33 SOUTH, RANGE 28 EAST, of the City of Avon Park, recorded in Plat Book 2, Page 161, of the Public Records of Highlands County, Florida.

Being more particularly described as follows:

Commence at the Southwest corner of said Block C; thence N00°05'30"W, along the East Right-of-Way line, for 7.42 feet; thence S89°57'27"E, 7.42 feet North of and parallel to the current North Right-of-Way line of Kirkland Street, for 429.07 feet to the Point of Beginning of the following described parcel of land; thence N00°01'30"E for 139.63 feet; thence S89°58'30"E for 100.00 feet; thence S00°01'30"W for 139.66 feet to a point 7.42 feet North of the current North Right-of-Way line of Kirkland Street; thence N89°57'27"W, 7.42 feet North of and parallel to said North Right-of-Way line, for 100.00 feet returning to the Point of Beginning.

EXHIBIT C

Developer Operating Agreement

**OPERATING AGREEMENT
OF
CORNELL COLONY DEVELOPER LLC**

THIS OPERATING AGREEMENT (the “Operating Agreement”) is entered into by the undersigned (each, a “Member” and, collectively, the “Members”), effective as of the 21st day of July, 2015.

RECITAL

WHEREAS, the Members desire to form Cornell Colony Developer LLC, a limited liability company (the “Company”), under the Florida Revised Limited Liability Company Act for the purposes set forth herein, and, accordingly, desire to enter into this Operating Agreement in order to set forth the terms and conditions of the business and affairs of the Company and to determine the rights and obligations of its Members.

NOW, THEREFORE, the Members, intending to be legally bound by this Operating Agreement, hereby agree that the limited liability company operating agreement of the Company shall be as follows:

**ARTICLE 1.
DEFINITIONS**

When used in this Operating Agreement, the following terms shall have the meanings set forth below.

1.1 “Act” means the Florida Revised Limited Liability Company Act, as amended from time to time, Chapter 605, Florida Statutes (or the corresponding provision(s) of any succeeding law).

1.2 “Affiliate” means, when used with reference to a specified Person: (i) any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person; (ii) any Person that, directly or indirectly, is the beneficial owner of ten percent (10%) or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of ten percent (10%) or more of any class of equity securities; (iii) any Person who is an officer, director, general partner, member, manager, trustee of, or serves in a similar capacity with respect to, any of the foregoing; or (iv) any member of the immediate family of such Person.

1.3 “APHDC” means APHDC-Cornell Colony LLC, a Florida limited liability company (or its permitted successor hereunder).

1.4 “Articles of Organization” means the Articles of Organization of the Company, as amended from time to time, filed with the Florida Department of State.

1.5 “Capital Account” means the capital account of a Member maintained in accordance with Section 4.3.

1.6 “Capital Contribution(s)” means the amount of cash and the agreed value of property, services rendered, or a promissory note or other obligation to contribute cash or property or to perform services contributed by a Member for such Member’s Interest in the Company, equal to the sum of such Member’s initial Capital Contributions plus such Member’s additional Capital Contributions, if any, made pursuant to Sections 4.1 and 4.2, respectively.

1.7 “Code” means the Internal Revenue Code of 1986 and the regulations promulgated thereunder, as amended from time to time (or the corresponding provision(s) of any succeeding law).

1.8 “Heartland” means Heartland Development Group LLC, a Florida limited liability company (or its permitted successor hereunder).

1.9 “HTG” means HTG Cornell Developer, LLC, a Florida limited liability company (or its permitted successor hereunder).

1.10 “Interest” means the entire ownership interest of a Member in the Company at any particular time expressed as a percentage of all Interests in the Company (viz. 100%). The initial Interest of each Member shall be set forth in Schedule A attached hereto.

1.11 “Manager” means the Person or Persons designated by the Members to act as Manager of this manager-managed limited liability company. The initial Manager of the Company shall be HTG.

1.12 “Member(s)” means the undersigned or the assignee or transferee of such Member pursuant to this Operating Agreement.

1.13 “Person” means any individual, partnership, firm, corporation, limited liability company, joint-stock company, trust or other entity.

1.14 “Treasury Regulations” means the Treasury Regulations, including temporary regulations, promulgated under the Code by the Internal Revenue Service.

ARTICLE 2.

FORMATION

2.1 Organization. The Members desire to organize the Company as a Florida limited liability company pursuant to the provisions of the Act.

2.2 Effective Date. The Company shall come into being on the date the Articles of Organization of the Company are filed with the Florida Department of State.

2.3 Operating Agreement. Each Member, by executing this Operating Agreement, hereby agrees to the terms and conditions of this Operating Agreement, as they may from time to time be

amended. To the extent any provision of this Operating Agreement is prohibited or ineffective under the Act, this Operating Agreement shall be deemed to be amended to the least extent necessary in order to make this Operating Agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to validate any provision of this Operating Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such amendment or interpretation.

ARTICLE 3.

PURPOSE; NATURE OF BUSINESS

3.1 Purpose; Nature of Business. The purpose of the Company shall be to engage in any lawful business that may be engaged in by a limited liability company organized under the Act. The Company desires to obtain the rights to develop certain residential property located within the City of Avon Park (“City”), located at 38165 Ezra Circle, Avon Park, Highlands County, Florida, 33825, being more particularly described on Schedule B attached hereto (the “Project”). While the Company will serve as the developer of the Project, the Project will be owned by a separate entity, Cornell Colony LLC, a Florida limited liability company (the “Owner”). The Project will consist of up to 44 single family homes, each consisting of three bedrooms and two bathrooms, as well as a clubhouse, playground and open space. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Section 3.1.

3.2 Powers. The Company shall have all powers of a limited liability company under the Act and the power to do all things necessary or convenient to accomplish its purpose and operate its business as described in Section 3.1.

ARTICLE 4.

MEMBERS AND CAPITAL

4.1 Members and Initial Capital Contribution. The name, address and value of the initial Capital Contribution of each Member shall be set forth on Schedule A attached hereto.

4.2 Additional Capital Contributions. No Member shall be obligated to make any additional Capital Contributions to the Company. The Members, pro rata in accordance with such Members’ Interests, may, but shall not be obligated to, make any additional Capital Contributions to the Company at such time and in such amounts as the Manager determines are necessary, appropriate or desirable.

4.3 Capital Accounts.

(a) Maintenance of Capital Accounts. Each Member’s Capital Account in the Company shall initially be equal to its initial Capital Contribution to the Company. Each Member’s Capital Account shall be increased by: (i) the amount of such Member’s additional Capital Contributions (if any) to the Company; and (ii) the amount of any profit, income and gain allocated to such Member pursuant to the provisions hereof. Each Member’s Capital Account shall be

decreased by: (i) the amount of any losses, deductions and costs allocated to such Member pursuant to the provisions hereof; and (ii) the amount of all distributions to such Member including the fair market value of assets distributed (net of liabilities securing such distributed assets that such Member is considered to assume or take subject to).

(b) Successor to Capital Accounts. If all or a portion of a Member's Interest is sold, assigned or otherwise transferred in accordance with the terms of this Operating Agreement, then the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

(c) Administration of Capital Accounts. This Section 4.3 and other provisions of this Operating Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 704(b) of the Code and the Treasury Regulations promulgated thereunder and shall be interpreted and applied in a manner consistent with such provisions. If the Manager reasonably determines that it is prudent to modify the manner in which the Capital Accounts or any charges or credits thereto are computed in order to comply with such provisions, then the Manager may make such modification, but only if it is not likely to have a material effect on the amounts of distributions to any Member pursuant to Section 5.1 or pursuant to Section 9.2 upon the dissolution of the Company.

(d) Repayment of Capital Accounts. Notwithstanding any other provision of this Operating Agreement or applicable law to the contrary, no Member shall be required or obligated to repay to the Company, any Member or any creditor of the Company any portion or all of any deficit balance in such Member's Capital Account.

4.4 Return of Capital Contributions. Except as otherwise provided in this Operating Agreement, no Member shall be entitled to demand the return of such Member's Capital Account or Capital Contributions at any particular time, except upon dissolution of the Company. Except as otherwise provided in this Operating Agreement, no Member shall be entitled at any time to demand or receive assets or property other than cash. Unless otherwise provided by law, no Member shall be personally liable for the return or repayment of all or any part of any other Member's Capital Account or Capital Contributions, it being expressly agreed that any such return of capital pursuant to this Operating Agreement shall be made solely from the assets (which shall not include any right of contribution from a Member) of the Company.

ARTICLE 5.

DISTRIBUTIONS AND ALLOCATIONS

5.1 Distributions. All distributions of cash or other assets of the Company shall be made and paid to the Members in the following manner:

(a) if such distribution of cash of the Company is directly attributable to all or any portion of the developer fee relating to the Project actually received by the Company pursuant to that certain developer agreement by and between the Company and the Owner with respect to the development of the Project by the Company (the "Developer Fee"), then, within thirty (30) days after

the Company's actual receipt of all or any portion of the Developer Fee, the Company shall distribute:

(i) if such distribution of cash of the Company is directly attributable to the portion of the Developer Fee paid at or about the closing of the construction loan relating to the Project or during the construction of the Project, then (A) first, one hundred percent (100%) to APHDC until APHDC has received pursuant to this Section 5.1(a)(i) an amount equal to ten thousand dollars (\$10,000), (B) second, any balance thereof, one hundred percent (100%) to HTG until HTG has received pursuant to this Section 5.1(a)(i) an amount equal to one hundred fifty thousand dollars (\$150,000), and (C) third, any balance thereof, one hundred percent (100%) to Heartland until Heartland has received pursuant to this Section 5.1(a)(i) an amount equal to one hundred thirty-nine thousand one hundred ninety-seven dollars (\$139,197);

(ii) if such distribution of cash of the Company is directly attributable to the portion of the Developer Fee paid at or about the completion of the construction of the Project, then (A) fifty percent (50%) to HTG, and (B) fifty percent (50%) to Heartland; and

(iii) if such distribution of cash of the Company is directly attributable to the portion of the Developer Fee paid at or about, or after, stabilization of the Project, then (A) first, one hundred percent (100%) to HTG until HTG has received pursuant to Sections 5.1(a)(i), 5.1(a)(ii) and 5.1(a)(iii) an amount equal to thirty-seven and one-half percent (37.5%) of the entire Developer Fee, (B) second, any balance thereof, one hundred percent (100%) to Heartland until Heartland has received pursuant to Sections 5.1(a)(i), 5.1(a)(ii) and 5.1(a)(iii) an amount equal to thirty-seven and one-half percent (37.5%) of the entire Developer Fee, and (C) third, any balance thereof, one hundred percent (100%) to APHDC until APHDC has received pursuant to Sections 5.1(a)(i) and 5.1(a)(iii) an amount equal to twenty-five percent (25%) of the entire Developer Fee; and

(b) if such distribution of cash or other assets of the Company is not directly attributable to the Developer Fee, then, at such time and in such amounts as the Manager may determine, pro rata thirty-seven and one-half percent (37.5%) to Heartland, thirty-seven and one-half percent (37.5%) to HTG and twenty-five percent (25%) to APHDC.

5.2 Allocations Generally.

(a) After giving effect to Section 5.3, profits and losses for any fiscal year (or portion thereof) shall be allocated to the Members in such manner that if the Company were to liquidate completely immediately after the end of such period and in connection with such liquidation sell all of its assets for cash (i.e., without any profits or losses resulting therefrom) and satisfy all liabilities according to their terms: (i) the distribution by the Company of any remaining cash to the Members in accordance with their respective positive Capital Account balances would correspond as closely as possible to the distributions that would result if the liquidating distributions had instead been made in accordance with the provisions of Section 5.1 (the "Target Amount"); and (ii) any resulting deficit Capital Account balances (after crediting or debiting Capital Accounts for profits or losses for such period) would correspond as closely as possible to the manner in which economic responsibility for Company deficit balances (as determined in accordance with the principles of Treasury Regulations under Section 704 of the Code) would be borne by the Members

under the terms of this Operating Agreement. For purposes of applying this Section 5.2(a), a Member's Capital Account shall be increased by such Member's share of Company minimum gain (within the meaning of Treasury Regulation §1.704-2(d)) and Member minimum gain (as determined in accordance with Treasury Regulation §1.704-2(i)(3)). If the allocation otherwise provided in this Section 5.2(a) would not cause the Capital Account balances to equal the Target Amount, then the Company shall allocate items of income and gain or deduction and loss comprising profit or loss for the taxable year to make (as nearly as possible) the positive Capital Account balances of the Members equal their respective Target Amount:

(b) All items of income, gain, loss, deduction and credit shall, in any event and regardless of whether cash distributions are made, be allocated to the Members in the amounts and in the manner necessary for such allocations to have substantial economic effect under Treasury Regulations Section 1.704.

5.3 Special Allocations.

(a) Losses. Losses allocated to any Member pursuant to Section 5.2 shall not exceed the maximum amount of losses that can be so allocated without causing the Capital Account of such Member to have a deficit Capital Account balance which is in excess of the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations.

(b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) causing an adjusted capital account deficit, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the adjusted capital account deficit of such Member as quickly as possible.

(c) 704(c). In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed by the Members to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its book value using any method approved under the Treasury Regulations promulgated under Code Section 704(c) as may be selected by the Manager.

(d) Curative Allocations. The allocation method set forth in this Article 5 is intended to allocate profits, losses, income, gain, deduction and credit to the Members for federal income tax purposes in accordance with their economic interests in the Company while complying with the principles of Sections 704(b), 704(c) and 752 of the Code and the Treasury Regulations promulgated thereunder. If in the reasonable opinion of the Manager the allocation of profits, losses, income, gain, deduction and credit pursuant to the provisions of this Article 5 shall not (i) satisfy the requirements of Sections 704(b), 704(c) and/or 752 of the Code or the Treasury Regulations promulgated thereunder, (ii) comply with any other provisions of the Code or Treasury Regulations, or (iii) properly take into account any expenditure made by the Company or any transfer of an Interest, then, notwithstanding anything to the contrary contained in the preceding provisions of this

Article 5, profits, losses, income, gain, deduction and credit shall be allocated in such manner as the Manager shall reasonably determines to be required so as to reflect properly (i), (ii) or (iii), as the case may be, and this Operating Agreement shall be amended without any action on the part of the Members to reflect any such change in the method of allocating profits, losses, income, gain, deduction and credit; provided, however, that any change in the method of allocating profits, losses, income, gain, deduction and credit shall not materially alter the economic agreement between the Members or result in a Member disproportionately receiving taxable income or profits without cash distributions.

ARTICLE 6.

TAXATION

6.1 Income Tax Reporting. Each Member is aware of the income tax consequences of the allocations made by Article 5 and hereby agrees to be bound by the provisions of Article 5 in reporting such Member's share of Company income and loss for federal and state income tax purposes.

6.2 Tax Matters Partner. HTG shall be the "tax matters partner" of the Company pursuant to Section 6231(a)(7) of the Code (the "Tax Matters Partner"). The Tax Matters Partner shall be authorized and required to represent the Company (at the expense of the Company) in connection with all examinations of the affairs of the Company by any federal, state or local tax authorities, including any resulting administrative and judicial proceedings, and to expend funds of the Company for professional services and costs associated therewith. The Tax Matters Partner shall take all actions necessary to preserve the rights of the Members with respect to audits and shall provide all Members with notices of all such proceedings and other information as required by law. The Tax Matters Partner may prepare and file protests or other appropriate responses to such audits. The Tax Matters Partner shall select counsel to represent the Company in connection with any audit conducted by the Internal Revenue Service or by any state or local authority. All costs incurred in connection with the foregoing activities, including legal and accounting costs, shall be borne by the Company. The Tax Matters Partner shall keep the Members timely informed of its activities under this Section 6.2. Each Member agrees to cooperate with the Tax Matters Partner in connection with the conduct of all such proceedings.

6.3 No Election to be Taxed as Association. The Company shall be treated as a partnership for federal and state income tax purposes. No Member shall cause the Company to elect to be treated as a corporation for federal or state income tax purposes, unless such election is approved in writing by all of the Members.

ARTICLE 7.

RIGHTS, POWER AND AUTHORITY OF THE MANAGER AND THE MEMBERS

7.1 Management of the Company.

(a) There shall be one (1) Manager of the Company. HTG is hereby appointed as the initial Manager of the Company. Except as otherwise provided in this Section 7.1, the Manager shall have the full and exclusive right, power and authority to manage the affairs of the Company and to bind the Company, to make all decisions with respect thereto and to do or cause to be done any and all acts or things deemed to be necessary, appropriate or desirable to carry out or further the business of the Company. The Manager may cause the Company to pay the Company's operating expenses out of cash receipts received by the Company, other than cash received by the Company attributable to the Developer Fee, which shall, notwithstanding any other provision of this Operating Agreement, be distributed in accordance with Section 5.1(a). The Manager shall serve until its respective replacement by the unanimous vote of all of the Members.

(b) The Manager shall use commercially reasonable efforts to manage the Company's business with all rights and powers generally conferred by law or necessary, advisable or consistent with such responsibility.

(c) In performing their respective duties, the Manager and Members shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case, prepared and presented by one or more agents or employees of the Company whom such Manager or Member reasonably believes to be reliable and competent in the matters presented or counsel, public accountants or other persons as to matters which such Manager or Member reasonably believes to be within such person's professional or expert competence.

(d) No Manager or Member shall be liable for actions taken as a manager or member of the Company, or for failure to take actions, if such Manager or Member performed its duties in compliance with this Section 7.1.

(e) APHDC shall materially participate in the Company's development business, including, without limitation, (i) seeking out and assisting in the preparation of applications to the city or county in which the Project is located, the State of Florida or other funding sources, and other similar activities, (ii) assisting to ensure that the Project is developed as a "non-profit" low-income housing project in accordance with Section 42 of the Code and all rules and regulations of the Florida Housing Finance Corporation, (iii) attending meetings with government officials and design professionals as requested by the Manager, (iv) reviewing and providing input into the preparation of plans, drawing and renderings, and (v) interfacing with community organizations and individuals to ensure acceptance of the Project by surrounding neighborhoods. APHDC shall be consulted by the Manager regarding all material agreements, matters or contracts on behalf of the Company.

(f) Intentionally omitted.

(g) The Manager shall be authorized to draw checks upon the bank accounts of the Company and to make, deliver, accept and endorse any commercial paper in connection with the business and affairs of the Company. Other than the Manager, no Member shall on behalf of the Company borrow or lend money, or make, deliver, accept or endorse any commercial paper, or execute any mortgage, security agreement, bond, or lease or purchase or contract to purchase any property of the Company, without the prior written consent of the Manager.

(h) The Manager shall have all the rights and powers of a manager as provided by law, and any action taken by the Manager in accordance with this Operating Agreement shall constitute an act of and serve to bind the Company.

(i) Notwithstanding anything to the contrary contained in this Operating Agreement, the Manager shall not take any actions with respect to the matters described below (each a "Major Decision") without prior approval by the Members:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Company;

(ii) materially amend the terms of any project documents;

(iii) amend the terms of any project loan or any project loan document, following final closing, refinance any project loan;

(iv) borrow in excess of \$50,000 in the aggregate at any one time outstanding on the general credit of the Company;

(v) agree to any change order in excess of \$10,000, or \$225,000 in the aggregate, provided, however consent, which consent shall not be unreasonably withheld, conditioned or delayed, will be needed if there is more than one change order per draw, for the construction contract, provided that the Members shall use reasonable efforts to respond to the Manager's request for consent within 10 business days of the Member's receipt of all appropriate documents and information;

(vi) other than as set forth in the plans and specifications, construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or which are at a cost in excess of \$10,000 in a single Company fiscal year, or rebuild the Project with the use of insurance proceeds, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions, or (b) reconstruction paid for from insurance proceeds, or (c) as and to the extent provided for in an approved budget;

(vii) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(viii) confess a judgment against the Company in excess of \$5,000, or commence or settle, or acquiesce in the commencement or settlement of any legal actions, arbitration, or other like proceedings involving the Company or the Manager;

- (ix) admit any Person as a Manager or a Member;
- (x) do any act in contravention of this Operating Agreement or any other agreement to which the Company is a party;
- (xi) execute or deliver any assignment for the benefit of the creditors of the Company;
- (xii) dissolve the Company or take any action which would result in dissolution;
- (xiii) refinance, prepay or materially modify the terms of any mortgage or long-term liability of the Company, or sell, grant an option to acquire, exchange, mortgage, encumber, pledge or otherwise transfer all or any portion of any interest in the Company or the Company's interest in the Project, or borrow funds or participate in a merger or consolidation with any other entity;
- (xiv) change the nature of the business of the Company, or do any act which would make it impossible to carry on the ordinary business of the Company;
- (xv) materially change any accounting method or practice of the Company;
- (xvi) file a voluntary petition for bankruptcy of the Company;
- (xvii) make any expenditure or incur any liability on behalf of the Company in excess of \$10,000 which is not identified in any budget consented to by the Members, except with respect to emergency repairs necessary to protect the safety and comfort of the tenants or the structural integrity of the Project;
- (xviii) possess Company property or assign rights in specific property for other than a business purpose of the Company;
- (xix) enter into any agreement or take any action without the prior consent of the Members with respect to any matters for which the prior consent of the Members is a prerequisite;
- (xx) except as specifically allowed in this Operating Agreement with respect to change orders, approve any increase in fees to the Manager, any Member or any Affiliate of the Manager or any Member;
- (xxi) except as specifically allowed in this Operating Agreement with respect to change orders, approve any change in the construction contract or any other contract with the Manager, any Member or any Affiliate of the Manager or any Member;
- (xxii) change in ownership, control or management of the Manager; or
- (xxiii) allow this Operating Agreement to be amended.

The Members shall respond to all written requests for consent to a Major Decision in a timely manner. For purposes of this Section 7.1(i), a response shall be deemed to be given in a timely manner if it is received by the Manager within five (5) business days after the date that such written request for consent is delivered. If a Member fails to respond to a written request for consent within such five (5) business day period, then such Member shall be deemed to have given its consent to such action upon the expiration of such five (5) business day period.

7.2 Action by the Members. Except as otherwise expressly set forth in this Operating Agreement or as otherwise expressly required by the Act, the Members shall have no right, power or authority to manage the affairs of the Company or to bind the Company or to make any decisions with respect thereto. Unless otherwise provided by law, by the Articles of Organization or by this Operating Agreement, the Members shall act (a) at a meeting of the Members, by unanimous resolution duly adopted by all of the Members or (b) without a meeting of the Members, by unanimous written consent signed by all of the Members; provided, however, that, with respect to the matters contemplated by Section 7.1(i)(v), the Members shall instead act (x) at a meeting of the Members, by resolution duly adopted by HTG and APHDC or (y) without a meeting of the Members, by written consent signed by HTG and APHDC.

7.3 Delegation of Authority to Members. The Manager may delegate such general or specific authority to other members of the Company as it may from time to time consider desirable, and such members of the Company may, subject to any restraints or limitations imposed by the Manager, exercise any authority granted to them.

7.4 Execution of Documents. Notwithstanding anything to the contrary contained in this Operating Agreement, all contracts, agreements, documents or instruments purporting to bind the Company or to convey or encumber assets of the Company shall be signed by the Manager after obtaining the approval required by this Operating Agreement, if any.

7.5 Limitations on Powers of Members. Except as expressly authorized by this Operating Agreement, no Member shall, directly or indirectly, (a) resign, retire or withdraw from the Company, (b) dissolve, terminate or liquidate the Company, (c) petition a court for the dissolution, termination or liquidation of the Company or (d) cause any property of the Company to be subject to the authority of any court, trustee or receiver (including suits for partition and bankruptcy, insolvency and similar proceedings). Notwithstanding anything to the contrary contained in this Operating Agreement, after the Project has reached stabilized operations, HTG may elect, in its sole discretion, to (w) withdraw as Manager of the Company, (x) cause the Company and any remaining Members to appoint APHDC as the replacement Manager of the Company, (y) withdraw as a Member from the Company and (z) cause the Company to redeem HTG's Interest for a purchase price of one dollar (\$1), all of which transactions the Members hereby acknowledge and agree that they (in their capacities as Members and, if applicable, Manager) shall cause the Company to consummate. Notwithstanding anything to the contrary contained in this Operating Agreement, after the Project has reached stabilized operations, Heartland may elect, in its sole discretion, to (x) withdraw as a Member from the Company and (y) cause the Company to redeem Heartland's Interest for a purchase price of one dollar (\$1), which transactions the Members hereby acknowledge and agree that they (in their capacities as Members and, if applicable, Manager) shall cause the Company to consummate.

7.6 Other Interests. Except with respect to the Developer Fee or similar fee from the Project, any of the Members and any Affiliates of the Members, or any shareholder or any other person holding a legal or beneficial interest in an entity which is a Member or an Affiliate of any Member, may engage in or possess an interest in other business ventures which may be competitive with the business of, or which may transact business with, the Company, including, but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage and development of real property. Neither the Company nor the Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived from them.

ARTICLE 8.

TRANSFER OF INTERESTS; ADMISSION OF ADDITIONAL MEMBERS

8.1 Restrictions on Transfer.

(a) Except as provided in Section 8.1(b), without the prior, written consent of the Manager, no Member will, directly or indirectly and whether by operation of law or otherwise, exchange, sell, bequeath, pledge, mortgage, hypothecate, encumber, distribute, transfer, give, assign or in any other manner whatsoever dispose or attempt to dispose of (each of the forgoing, when used as a noun, being a “Disposition,” and when used as a verb, to “Dispose”) the whole or any part of its Interest in the Company (including, but not limited to, its interest in the capital or profits of or distributions by the Company) at any time. Any attempted Disposition of the whole or any part of an Interest not in compliance with this Article 8 shall be null and void and the intended transferee shall be deemed never to have had any interest of any nature whatsoever therein.

(b) Notwithstanding Section 8.1(a), any Member may Dispose of its Interest in the Company to an Affiliate of such Member without the prior written consent of the Manager, but only if such Disposition is made in compliance with, and otherwise in accordance with, the rules and regulations of the Florida Housing Finance Corporation and the requirements of the Project’s lenders.

8.2 Effect of Transfer. Notwithstanding anything to the contrary contained in this Operating Agreement, no transferee of an Interest in the Company (or any interest in the capital or profits of or distributions by the Company) shall be admitted as a Member of the Company without the prior written consent of the Manager. In the event of any Disposition permitted under this Operating Agreement, the Company shall not be dissolved or wound up. No Disposition shall relieve the assignor from any of its obligations under this Operating Agreement arising prior to such Disposition (it being understood that, except as otherwise provided herein, the assignor may be relieved of such obligations to the extent the same arise after such Disposition and the same are assumed in writing by the transferee). Additionally, notwithstanding the foregoing, as a condition precedent to any Disposition by a Member and the transferee being admitted as a Member, the transferee must execute a counterpart to this Operating Agreement (as amended) in form acceptable to the Manager and agree to be bound by all of the terms and provisions hereof.

8.3 Additional Members. Upon the prior written consent of the Manager, a Person may become an additional Member of the Company by the issuance by the Company of Interests for such consideration as the Manager shall determine. Notwithstanding the foregoing, as a condition precedent to a Person being admitted as an additional Member of the Company a Person must execute a counterpart to this Operating Agreement (as amended) in form acceptable to the Manager and agree to be bound by all of the terms and provisions hereof. Notwithstanding any other provision of this Operating Agreement, the admission of an additional Member(s) shall not impact the distributions contemplated by Section 5.1(a).

ARTICLE 9.

DISSOLUTION AND WINDING UP

9.1 Events of Dissolution. The Company shall be dissolved upon the first to occur of (a) the unanimous written consent of all of the Members, and (b) the entry of a decree of judicial dissolution under the Act.

9.2 Winding Up.

(a) Manner of Winding Up. In the event of the dissolution of the Company for any reason, the Manager shall commence to wind up the affairs of the Company and to liquidate its investments. The Manager shall prepare a plan, method or procedure for the orderly winding up of the Company. Any proceeds from liquidation, together with any assets which the Manager determines to distribute in kind, shall be applied in the following order:

(i) First, the expenses of liquidation and the debts of the Company, including the debts and expenses of the Company to any Member as permitted by this Operating Agreement. Any reserves shall be established or continued which the Manager deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company or its liquidation. Such reserves shall be held by the Company for the purpose of disbursement in payment of any of the aforementioned contingencies; and

(ii) Second, at the expiration of such period as the Manager deems reasonably advisable, the Company shall distribute the remaining balance in accordance with Section 5.1.

(b) Administration of Winding Up. This Section 9.2 is intended to comply with the provisions of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder, and shall be interpreted and applied in a manner consistent with such provisions. Any assets of the Company to be distributed in kind shall be distributed on the basis of the fair market value thereof and may be distributed to any Member entitled to any interest in such assets as a tenant-in-common with all other Members so entitled.

9.3 Termination and Cancellation. Upon the completion of the liquidation of the Company and the distribution of all Company funds, the Company shall terminate and the Manager

shall have the authority to execute and deliver Articles of Dissolution of the Company as well as any and all other documents required to effectuate the dissolution and termination of the Company.

ARTICLE 10.

ADMINISTRATION

10.1 Books and Records. The Manager shall keep, or cause to be kept, at the principal place of business of the Company true and correct books of account, in which shall be entered fully and accurately each and every transaction of the Company. Each Member or its designated agent shall have access at reasonable times on business days at the Company's office to inspect the Company's books of account and all other information concerning the Company required by the Act to be made available to Members, and may make copies thereof at such Member's expense. A Member must give the Company written notice of its desire to exercise rights under the preceding sentence at least two (2) business days in advance. The Company's books of account shall be kept in accordance with accepted federal income tax accounting principles, consistently applied, and for a fiscal period which is the calendar year.

10.2 Banking. All funds of the Company shall be deposited in its name in such federally-insured commercial bank or invested in such federally-insured savings and loan account or accounts, in such U.S. Treasury obligations, or in such bank certificates of deposit, as the Manager may decide. All funds of the Company shall only be used for Company purposes as provided in this Operating Agreement and in accordance with the terms of this Operating Agreement.

10.3 Reporting Requirements. The Manager shall cause to be prepared and distributed to each Member (a) information necessary to complete such Member's federal income tax return and (b) the Company's annual financial information, in each case, as soon as available, but in any event within ninety (90) days after the end of each fiscal year. Such annual financial information of the Company shall include a balance sheet of the Company, as of the last day of the fiscal year, and statements of income, retained earnings, and cash flow, for such fiscal year, each prepared in accordance with generally accepted accounting principles consistently applied.

10.4 Accounting Decisions; Tax Elections. All decisions as to accounting matters and tax elections, except as specifically provided to the contrary in this Operating Agreement, shall be made by the Manager. The Manager may rely upon the advice of the Company's accountants and professional advisors in making such decisions.

10.5 Reimbursement of Certain Expenses. The Members acknowledge that Heartland has advanced certain upfront costs and expenses in the aggregate amount of \$ _____ to carry out and further the business of the Company (the "Reimbursable Expenses"). If the closing of the construction loan relating to the Project is consummated, then, at such closing, the Company shall reimburse Heartland in the amount of the Reimbursable Expenses.

ARTICLE 11.

LIMITATION OF LIABILITY; INDEMNIFICATION

11.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Manager nor any Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a manager or member of the Company, as the case may be. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or the management of its business or affairs under this Operating Agreement or the Act shall not be grounds for imposing personal liability on the Members for any debts, liabilities or obligations of the Company. Except as otherwise expressly required by law, each Member, in such Member's capacity as such, shall have no liability in excess of (a) the amount of such Member's net Capital Contributions, (b) such Member's share of any assets and undistributed profits of the Company and (c) the amount of any distributions required to be returned pursuant to Section 605.0406 of the Act.

11.2 Indemnification. The Company (including any receiver or trustee of the Company) shall, to the fullest extent provided or allowed by law, indemnify, save harmless and pay all judgments and claims against the Manager of the Company, the officers of the Company, the Members and each of any Member's agents, Affiliates, heirs, legal or personal representatives, successors and assigns (each, an "Indemnified Party") from, against and in respect of any and all liability, loss, damage and expense incurred or sustained by the Indemnified Party in connection with the business of the Company or by reason of any act performed or omitted to be performed in connection with the activities of the Company or in dealing with third parties on behalf of the Company, including, without limitation, costs and attorneys' fees before and at trial and at all appellate levels, whether or not suit is instituted (which attorneys' fees may be paid as incurred), and any amounts expended in the settlement of any claims of liability, loss or damage, *provided* that the act or omission of the Indemnified Party does not constitute fraud or willful misconduct by such Indemnified Party.

11.3 Insurance. The Company shall not pay for any insurance covering liability of the Manager, the officers of the Company, the Members or any Member's agents, Affiliates, heirs, legal or personal representatives, successors and assigns for actions or omissions for which indemnification is not permitted under this Operating Agreement; *provided, however*, that nothing contained herein shall preclude the Company from purchasing and paying for such types of insurance, including, without limitation, extended coverage liability and casualty and worker's compensation, as would be customary for any Person owning, managing and/or operating comparable assets and property and engaged in a similar business or from naming the Manager, the officers of the Company, the Members and each of any Member's agents, Affiliates, heirs, legal or personal representatives, successors or assigns or any Indemnified Party as additional insured parties thereunder.

11.4 Non-Exclusive Right. The provisions of this Article 11 shall be in addition to and not in limitation of any other rights of indemnification and reimbursement or limitations of liability to which an Indemnified Party may be entitled under the Act, common law or otherwise. Notwithstanding any repeal of this Article 11 or other amendment hereof, its provisions shall be binding upon the Company (subject only to the exceptions above set forth) as to any claim, loss, expense, liability, action or damage due to or arising out of matters which occur during or relate to the period prior to any such repeal or amendment of this Article 11.

ARTICLE 12.

AMENDMENT

12.1 Amendment. This Operating Agreement may not be altered or modified except by a written agreement executed by all Members, which agreement by the Members will not be unreasonably withheld, conditioned or delayed by any Member.

ARTICLE 13.

MISCELLANEOUS

13.1 Binding Effect. Except as herein otherwise provided to the contrary, this Operating Agreement shall be binding upon and inure to the benefit of the undersigned, their legal or personal representatives, heirs, successors and assigns.

13.2 Applicable Laws. This Operating Agreement and the rights and duties of the Members hereunder shall be governed by, and interpreted and construed in accordance with, the laws of the State of Florida.

13.3 Counterparts. This Operating Agreement may be executed in several counterparts, and all so executed shall constitute one Operating Agreement binding on all of the Members, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

13.4 Provisions Severable. In the event any sentence, paragraph, provision, word, section or article of this Operating Agreement is declared by a court of competent jurisdiction to be void, such sentence, paragraph, provision, word, section or article shall be deemed severed from the remainder of this Operating Agreement and the balance of this Operating Agreement shall remain in effect.

13.5 Waiver. Any waiver by any party of any of its rights or remedies under this Operating Agreement or of any breach or violation of or default under this Operating Agreement must be in writing and signed by the party to be charged thereunder and shall not constitute a waiver of any of its other rights or remedies or of any other or future breach, violation or default hereunder.

13.6 Prevailing Party. In any suit or other proceeding by any Member against the Member(s), the Manager(s) or the Company to enforce or interpret the terms and provisions of this Operating Agreement, the prevailing party shall be entitled to all reasonable costs and expenses incurred by it in connection therewith (including, without limitation, reasonable attorneys' fees and

costs incurred before and at any trial and at all appellate levels), as well as all other relief granted or awarded in such suit or other proceeding.

13.7 Additional Members. As a condition precedent to any Person being admitted as a substitute, additional or successor Member of the Company, the Person must execute a counterpart to this Operating Agreement (as amended) in form acceptable to the Manager and agree to be bound by all of the terms and provisions hereof; provided, however, that no such counterpart shall be binding until the provisions of Article 9, as applicable, shall have been satisfied.

13.8 Notice. All notices and other communications provided for herein shall be made in writing and mailed by certified or registered mail, delivered by hand or overnight courier service, or sent by electronic mail or facsimile, in each case to the addresses, email addresses or facsimile numbers of the Members set forth on Schedule A attached hereto. Notices shall be deemed to have been duly received (i) on the earlier of (A) confirmed receipt and (B) the third (3rd) business day after depositing such notice into the U.S. mail if sent by registered or certified mail, return receipt requested, postage prepaid, (ii) upon delivery if delivered by hand, (iii) on the first business day after sending if sent by a nationally recognized overnight courier service for next business day delivery, (iv) on the day confirmation is received of the recipient's facsimile number if sent by facsimile, or (v) on (X) the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment) or (Y) the day such notice is sent (provided such notice is followed by written notice delivered by certified or registered mail), if sent by electronic mail.

13.9 Headings. The article and section headings in this Operating Agreement are inserted as a matter of convenience and are for reference only and shall not be construed to define, limit, extend or describe the scope of this Operating Agreement or the intent of any provision.

13.10 Number and Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa and the masculine gender shall include the feminine and neuter genders, and vice versa.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Operating Agreement has been made and executed by all of the Members effective as of the date first written above.

MEMBERS:

APHDC-Cornell Colony LLC,
a Florida limited liability company

By: Avon Park Housing Development
Corporation, a Florida non-profit corporation

By: _____
Larry Shoeman, Secretary

Heartland Development Group LLC,
a Florida limited liability company

By: _____
Martin Wohl, Manager

HTG Cornell Developer, LLC,
a Florida limited liability company

By: _____
Matthew Rieger, Manager

SCHEDULE A

**NAME, ADDRESS, FACSIMILE NUMBER AND
INITIAL CAPITAL CONTRIBUTION OF THE MEMBERS**

<u>Name of Member</u>	<u>Address, Email Address and Facsimile Number of Member</u>	<u>Value of Initial Capital Contribution of Member</u>	<u>Interest</u>
APHDC-Cornell Colony LLC	PO Box 1327, Avon Park, FL 33826-1327 Email: director@avonparkha.org Facsimile: (863) 452-5455	\$25	25%
HTG Cornell Developer, LLC	3225 Aviation Avenue Ste. 602 Coconut Grove, FL. 33133 Email: chriss@htgf.com Facsimile: 305-856-1475	\$37.5	37.5%
Heartland Development Group LLC	3321 US Hwy 27 S Sebring, FL 33870 Email: marty@marmerconstruction.com Facsimile: 863-382-9851	\$37.5	37.5%

SCHEDULE B

LEGAL DESCRIPTION OF PROPERTY AND THE PROJECT

All of the Replat of Blocks A, B, and C; or North 1/2 of TULANE SUBDIVISION, as recorded in Plat Book 2, Page 161, of the Public Records of Highlands County, Florida, being in the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 27, Township 33 South, Range 28 East.

Less & Accept the following Parcel of land:

A Portion of Block C, according to the Replat of Blocks A, B, & C, or N 1/2 of TULANE SUBDIVISION, located in the N.W. 1/4 of N.E. 1/4 of N.W. 1/4 of SECTION 27, TOWNSHIP 33 SOUTH, RANGE 28 EAST, of the City of Avon Park, recorded in Plat Book 2, Page 161, of the Public Records of Highlands County, Florida.

Being more particularly described as follows:

Commence at the Southwest corner of said Block C; thence $N00^{\circ}05'30''W$, along the East Right-of-Way line, for 7.42 feet; thence $S89^{\circ}57'27''E$, 7.42 feet North of and parallel to the current North Right-of-Way line of Kirkland Street, for 429.07 feet to the Point of Beginning of the following described parcel of land; thence $N00^{\circ}01'30''E$ for 139.63 feet; thence $S89^{\circ}58'30''E$ for 100.00 feet; thence $S00^{\circ}01'30''W$ for 139.66 feet to a point 7.42 feet North of the current North Right-of-Way line of Kirkland Street; thence $N89^{\circ}57'27''W$, 7.42 feet North of and parallel to said North Right-of-Way line, for 100.00 feet returning to the Point of Beginning.

EXHIBIT D

Development Agreement

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”) is made and entered into effective as of the 21st day of July, 2015, by and between Cornell Colony Developer LLC, a Florida limited liability company (the “**Fee Developer**”), and Cornell Colony LLC, a Florida limited liability company (the “**Owner**”).

WITNESSETH:

WHEREAS, Fee Developer and Owner have entered into an agreement which outlines the intentions of the parties with respect to the ownership and business structure of an application for HOME Funding of a new low-income multifamily housing project located in Avon Park, Florida (the “**Project**”), as legally described in Exhibit A, with all improvements furnishings, equipment, and personal property (collectively, the “**Improvements**”) to be located thereon generally described on Exhibit B, as a for-profit entity in the Florida Housing Finance Corporation’s (“**FHFC**”) RFA 2014-109 (the “**2014 HOME Application**”);

WHEREAS; the 2014 HOME Application was filed and selected by the FHFC Board of Directors such that Owner and Fee Developer have been invited into credit underwriting;

WHEREAS, Owner will own 100% of the Project;

WHEREAS, the purpose of this Agreement is to more fully set forth the respective roles and responsibilities of the Fee Developer and Owner as contemplated by their agreement and the 2014 HOME Application.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

1.1 Affiliate. When used with reference to a specified Person: (i) any Person that directly or indirectly controls or is controlled by or is under common control with the specified Person; (ii) any Person that, directly or indirectly, is the beneficial owner of ten percent (10%) or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of ten percent (10%) or more of any class of equity securities; (iii) any Person who is an officer, director, general partner, member, manager, trustee of, or serves in a similar capacity with respect to, any of the foregoing; or (iv) any member of the immediate family of such Person.

(a) Fee Developer Representative. The representative(s) of the Fee Developer designated as such in writing to Owner.

1.2 Person. Any individual, partnership, firm, corporation, limited liability company, joint-stock company, trust or other entity.

2. Appointment. Owner hereby engages the Fee Developer, and the Fee Developer hereby accepts such engagement, on and subject to the terms and conditions hereinafter provided, to perform the obligations and services as more particularly set forth on Exhibit E (the “**Fee Developer Services**”, along with Fee Developer’s joint obligations listed in Section 3 below (the “**Joint Obligations**”). The Fee Developer shall provide, or arrange for the provision of, all Fee Developer Services as are necessary for the development and construction of the Project. The Fee Developer shall perform the Fee Developer Services and its share of the Joint Obligations in a commercially reasonable manner and devote such time and staff as may be required for the efficient and timely performance of same. Both parties will cooperate to close all financing sources and begin construction on or before December 31, 2015, as such date may be extended (the “**Closing**”).

3. Joint Obligations of the Fee Developer and Owner. Except as provided in Section 5 hereof, the Fee Developer and Owner together shall have the following duties, to the extent they have not already been performed:

- (a) Predevelopment strategic planning and budgeting;
- (b) Land use planning, including, without limitation, zoning;

(c) Information Flow. The Fee Developer and Owner shall cooperate to achieve an effective flow of information between and among themselves and the professionals including, but not limited, to (i) monthly progress meetings, or more frequently as circumstance require, and (ii) a Fee Developer Representative shall be readily available as needed to meet with representatives of Owner and professionals upon reasonable notice in connection with matters related to the performance of this Agreement. A mutual effort will be made to resolve any problems identified at these meetings.

(d) Progress Reports. From time to time, but no less than once per quarter or as outlined in Title II of the Cranston-Gonzalez National Affordable Housing Act (the HOME Investment Partnership Act, 24 CFR Part 92) (the “HOME Program Requirements”), whichever is more frequent, Fee Developer shall provide Owner with written progress reports in a form reasonably acceptable to Owner on the status of the Project, including all Fee Developer Services and Joint Obligations performed by the Fee Developer and contractors. Such reports may include (i) variances between actual Fee Developer Services completion dates and the Project schedule, (ii) a summary report of all Project activities completed during the month and Project activities to be performed during the next month, (iii) minutes of all meetings, (iv) information on contracts, including changes under consideration or proposed contract changes, (v) actions taken when the requirements of any contract are not being satisfied and (vi) variances between actual expenditures and the Project budget. The Fee Developer shall furnish Owner with copies of the following documents prepared by the Fee Developer or its contractors in connection with the Project: (A) subdivision plans; (B) site plans; (C) elevations; (D) aerials; (E) utility plans, (F) public infrastructure plans; (G) market studies; (H) geotechnical assessments; and (I) environmental assessments including Phase I and Phase II reports, as applicable.

4. Obligations of Owner. Except as provided in Section 5 hereof, Owner shall have the following duties, to the extent they have not already been performed:

- (a) Overseeing community and supportive services;
- (b) Cooperating with the Fee Developer to comply with the HOME Program Requirements, as amended, supplemented or otherwise modified;
- (c) Information Flow. Owner shall cooperate to achieve an effective flow of information between itself and the Fee Developer, including, but not limited, to being readily available as needed to meet with the Fee Developer Representative upon reasonable notice in connection with matters related to the performance of this Agreement. A mutual effort will be made to resolve any problems identified at these meetings;
- (d) Provide full information regarding its requirements for the Improvements;
- (e) Designate a representative who shall be fully acquainted with the scope of the work and has authority to render decisions and furnish information;
- (f) Cooperate with the Fee Developer to comply with any Davis Bacon reporting requirements; and
- (g) Cooperate fully with the Fee Developer to obtain and close on all requisite financing necessary for completing construction of the Project.

5. Limitations on Owner.

(a) Notwithstanding any other provision of this Agreement to the contrary, the Fee Developer shall take no actions with respect to the Project, the Improvements, the business or affairs of Owner except as expressly provided hereunder. The Fee Developer shall have no right, express or implied, to commit or otherwise obligate Owner in any manner whatsoever without the prior written approval of Owner except only to the extent specifically provided herein. The foregoing restriction shall include, without limitation, retaining employees or staff or incurring any expense on behalf of Owner. Without limiting the generality of the foregoing, the Fee Developer hereby covenants that, notwithstanding any provision to the contrary in this Agreement, it shall not enter into any agreement, incur any obligation, or take any action binding against Owner, without prior written approval of Owner.

(b) In performing the Fee Developer Services and the Joint Obligations hereunder, the Fee Developer is and shall be an independent contractor and not an employee or agent of Owner. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture between Owner and the Fee Developer or to cause Owner or the Fee Developer to be responsible in any way for the debts or obligations of the other party, it being the intention of the parties that the only relationship hereunder is that of independent contractor and owner.

6. Fees.

(a) Development Fee. In consideration of the performance by the Fee Developer of the Fee Developer Services, Owner shall pay to the Fee Developer a development

fee (the “**Development Fee**”) in the amount set forth on Exhibit C attached hereto. Any deferred Development Fee will be evidenced by a fully recourse promissory note obligation of Owner.

(b) Schedule of Payments. The Fee Developer and Owner acknowledge and agree that specific portions of the Development Fee shall be earned by Fee Developer, and payable by the Owner as certain benchmarks are satisfied as more particularly described on Exhibit C, but in any event all of the Development Fee shall be earned by Fee Developer upon mechanic and contractor lien free completion of construction. The Development Fee shall be paid solely from (i) debt and equity financing sources to the extent such payment is allowed (or not prohibited) by the documents evidencing such sources, and (ii) Project cash flow, other grant financing, and any other sources available to Owner.

(c) Limitation. It is understood that the Development Fee paid to the Fee Developer by Owner is intended as full compensation to the Fee Developer for the Developer Fee Services and Joint Obligations hereunder. The Fee Developer shall otherwise be fully responsible for its own overhead and cost of operations but not for any liabilities to Persons it incurs on behalf of Owner and pursuant to its authority hereunder which liabilities shall be borne by Owner. The Development Fee will not exceed the maximum amount allowed under an applicable financing program (e.g. FHFC HOME program limitations, etc.).

7. Events of Default. Each of the following events shall be an “**Event of Default**” hereunder:

(a) A default or failure in the performance or observance of any term or condition of this Agreement by a party hereto that is not cured within 30 days after receipt of written notice thereof from the non-defaulting party; provided that, if such default cannot reasonably be cured within 30 days, and the defaulting party shall have commenced to cure such default within such 30-day period, then the defaulting party shall have such additional time as is reasonably necessary to cure the default if the defaulting party promptly and diligently proceeds to cure the same, it being agreed that no such extension shall be for a period in excess of 90 days; or

(b) If the Fee Developer ceases doing business as a going concern, makes an assignment for the benefit of creditors, files a voluntary petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under the federal bankruptcy laws or any similar federal or state statute, law or regulation, or files an answer admitting the material allegations of such a petition or consents to or acquiesces in the appointment of a trustee, receiver or liquidator of all or any part of its assets or properties.

8. Termination of Duties and Responsibilities of Fee Developer. The Fee Developer shall have no further duties or obligations hereunder after receipt of a Certificate of Occupancy for the last building in the Improvements and completion of all material punch list items, except as specified herein.

9. Termination by Parties. This Agreement may be terminated:

(a) By the mutual agreement of the Fee Developer and Owner;

(b) Immediately by Owner, if an Event of Default described in Section 7(b) occurs; or

(c) By either the Fee Developer or Owner for “cause”, as finally determined by a court of competent jurisdiction, sitting in Highlands County, Florida. Prior to submitting any dispute to a court of competent jurisdiction, the parties shall in good faith attempt to amicably resolve any dispute. Should the Owner and Fee Developer be unable to resolve any dispute between themselves, each will in good faith consider and explore with the other the appropriateness of mediation, or other alternative dispute resolution mechanism. For purposes hereof, “cause” shall mean an uncured Event of Default described in Section 7(a) which has a material adverse impact upon the Project, fraud, dishonesty, reckless disregard for customary practices or intentional misconduct after at least sixty (60) days prior notice and opportunity to cure.

In the event this Agreement is terminated by Owner pursuant to Section 9(c) (a “**Section 9(c) Termination**”), the Fee Developer shall be paid an amount constituting a reasonable Development Fee for the value of the Project performed to the date of termination less the amount of: (a) any damages caused to Owner resulting directly from said breach (b) the cost of terminating, including reasonable legal fees and (c) less all Development Fee payments previously made to the Fee Developer. For purposes hereof, the Development Fee earned milestones set forth on Exhibit C shall constitute a reasonable Development Fee. In the event this Agreement is terminated by the Fee Developer pursuant to Section 9(c) Termination, Owner shall be liable to the Fee Developer for (a) a reasonable Development Fee for the value of the Project performed to the date of termination plus (b) the cost of terminating, including reasonable legal fees, less (c) the amount of all Development Fee payments previously made to the Fee Developer. Owner shall be entitled to all books, records and reports prepared by Fee Developer in the development of the Project, upon termination of the Fee Developer’s services, as set forth herein, upon payment to Fee Developer of all Development Fees Fee Developer is entitled to pursuant to this Agreement.

10. Accounting Records. The Fee Developer’s books and records pertaining to its performance under this Agreement shall be kept on a consistent basis from year to year and in accordance with generally accepted accounting principles. The Fee Developer shall, upon reasonable notice and at reasonable times, provide access to Owner or any of its duly authorized representatives to any books, documents, papers and records of the Fee Developer and contractors which are directly pertinent to the Project for the purpose of making any audit, examination, excerpts and transcriptions. All required records shall be retained for three years or in accordance with HOME Program Requirements, whichever is longer, after the Fee Developer and contractors make final payments and all other pending matters are closed.

11. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any of the parties hereto without the written consent of the other party, except that the Fee Developer may assign its rights but not its duties under this Agreement.

(b) The descriptive paragraph headings of this Agreement are inserted for convenience only and are not intended to and shall not be construed to limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

(c) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the State of Florida, and with respect to any dispute hereunder, jurisdiction and venue shall lie solely with the courts of competent jurisdiction in Highlands County, Florida.

(d) This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations, or warranties, express or implied, other than those set forth herein.

(e) This Agreement and the obligations of the Fee Developer and Owner hereunder are solely for the benefit of the Fee Developer and Owner and their partners and no benefits to third parties are intended.

(f) In the event any provision hereof is deemed to be unenforceable or against public policy, then such provision shall be deemed omitted from this Agreement and to the extent possible such provision shall be replaced with an enforceable provision which corresponds with the spirit of the omitted provision, and no other provision of this Agreement shall be affected by such omission or unenforceability.

(g) The parties agree that the prevailing party in any action or dispute involving litigation concerning the subject matter hereof, shall be entitled to reasonable attorneys' fees and court costs, at all levels.

(h) No delay or omission by either party to insist upon the strict performance of any of the other party's obligations under this Agreement or to exercise any right or remedy available hereunder shall impair any such right or remedy or constitute a waiver thereof in the event of any subsequent occasion giving rise to such right or availability or remedy or obligation, whether of a similar or dissimilar nature.

12. Representations and Warranties.

(a) The Fee Developer represents and warrants that it has obtained, or will obtain prior to commencement of Fee Developer's duties hereunder, at its own expense, all necessary licenses and permits as may be required for the performance by the Fee Developer of the Fee Developer Services and Joint Obligations hereunder and that it is qualified to do business in the State of Florida. The Fee Developer shall maintain, at its own expense, such licenses and permits during the term of this Agreement.

(b) Owner represents and warrants that it has obtained, or will obtain prior to commencement of Owner's duties hereunder, at its own expense, all necessary licenses and permits as may be required for the performance by Owner of the Joint Obligations. Owner shall maintain, at its own expense, such licenses and permits during the term of this Agreement.

(c) The Fee Developer hereby represents and warrants to Owner that (i) it is duly organized, validly existing and in good standing under the laws of Florida; (ii) the execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized and upon execution and delivery by the Fee Developer will constitute the valid and binding agreement of the Fee Developer enforceable in accordance with its terms; and (iii) the execution and delivery of this Agreement and the performance by the Fee Developer hereunder, will not conflict with, or breach or result in a default under, any agreement to which it is bound.

(d) Owner hereby represents and warrants that (i) it is duly organized, validly existing and in good standing under the laws of Florida; (ii) the execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized and upon execution and delivery by Owner will constitute the valid and binding agreement of Owner enforceable in accordance with its terms; and (iii) the execution and delivery of this Agreement and the performance by Owner hereunder, will not conflict with, or breach or result in a default under, any agreement to which they are bound.

13. Notice.

Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, any nationally recognized overnight mail service requiring signature for receipt, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth on Exhibit D attached hereto. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed, or for overnight mail, the date delivery is refused by recipient. Otherwise, such period shall be computed from the date of delivery.

14. Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[SIGNATURES CONTAINED ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Development Agreement on the date and year first above written.

FEE DEVELOPER:

Cornell Colony Developer LLC,
a Florida limited liability company

By: HTG Cornell Developer, LLC,
a Florida limited liability company, its
Manager and a Member

By: _____
Matthew Rieger, Manager

Date: _____

OWNER:

Cornell Colony LLC,
a Florida limited liability company

By: Avon Park Housing Development
Corporation, a Florida non-profit corporation,
its sole member

By: _____
Larry Shoeman, Secretary

Date: _____

By: APHDC-Cornell Colony LLC,
a Florida limited liability company, a Member

By: Avon Park Housing Development Corporation,
a Florida non-profit corporation, its sole member

By: _____
Larry Shoeman, Secretary

Date: _____

By: Heartland Development Group LLC,
a Florida limited liability company, a Member

By: _____
Martin Wohl, Manager

Date: _____

EXHIBIT A

Project Legal Description

All of the Replat of Blocks A, B, and C; or North 1/2 of TULANE SUBDIVISION, as recorded in Plat Book 2, Page 161, of the Public Records of Highlands County, Florida, being in the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 27, Township 33 South, Range 28 East.

LESS AND EXCEPT the following Parcel of land:

A Portion of Block C, according to the Replat of Blocks A, B, & C, or N 1/2 of TULANE SUBDIVISION, located in the N.W. 1/4 of N.E. 1/4 of N.W. 1/4 of SECTION 27, TOWNSHIP 33 SOUTH, RANGE 28 EAST, of the City of Avon Park, recorded in Plat Book 2, Page 161, of the Public Records of Highlands County, Florida.

Being more particularly described as follows:

Commence at the Southwest corner of said Block C; thence N00°05'30"W, along the East Right-of-Way line, for 7.42 feet; thence S89°57'27"E, 7.42 feet North of and parallel to the current North Right-of-Way line of Kirkland Street, for 429.07 feet to the Point of Beginning of the following described parcel of land; thence N00°01'30"E for 139.63 feet; thence S89°58'30"E for 100.00 feet; thence S00°01'30"W for 139.66 feet to a point 7.42 feet North of the current North Right-of-Way line of Kirkland Street; thence N89°57'27"W, 7.42 feet North of and parallel to said North Right-of-Way line, for 100.00 feet returning to the Point of Beginning.

EXHIBIT B

Improvements

The Project shall be a residential development located within the City of Avon Park, located at 38165 Ezra Circle, Avon Park, Highlands County, Florida, 33825. The Project will consist of up to 44 single family homes, each consisting of three bedrooms and two bathrooms, as well as a clubhouse, playground and open space.

EXHIBIT C

Development Fee

The Development Fee referenced in Section 6 of the Agreement shall be equal up to 16% of total development costs, exclusive of land and net of excess as set forth in the FHFC Credit Underwriting Report, such fee estimated to be \$720,000 at this time, or such greater amount allowed by FHFC. The Development Fee shall be earned and paid as follows or as may be allowed by mortgagees:

Milestone	% of Total Fee Developer Fee
Closing of the construction financing	50%
50% Construction Completion	10%
75% Construction Completion	10%
Lien Free Completion	20%
Receipt of Certificates of Occupancy	10%

The Development Fee shall be paid as follows, or as may be allowed by mortgagees:

Milestone	% of Total Fee Developer Fee
Monthly Pro-Rata with % of Construction Completion	40%
100% Construction Completion	20%
Closing of Permanent Financing	40%

EXHIBIT D

Notices

Any notice required to be given hereunder shall be in writing and mailed as set forth in Section 13 of the Agreement, to all parties at the addresses set forth below:

If to Owner, to:

Avon Park Housing Development Corporation
21 Tulane Dr.
Avon Park, Florida 33825
Attention: Larry Shoeman

With copy to:

Saxon Gilmore & Carraway, P.A.
201 E. Kennedy Blvd., Suite 600
Tampa, FL 33602
Jozette Chack-On, Esq.

If to the Fee Developer, to:

- a. APHDC-Cornell Colony LLC
21 Tulane Dr.
Avon Park, Florida 33825
Attention: Larry Shoeman
- b. HTG Cornell Developer, LLC
3225 Aviation Avenue, Suite 602
Coconut Grove, Florida 33133
Attention: Christopher Shear
- c. Heartland Development Group LLC
3321 US Hwy 27 S
Sebring, FL 33870
Attention: Martin Wohl

With copy to:

Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler Street
Suite 2200
Miami, FL 33130
Attention: Richard E. Deutch, Jr., Esq.

and

Saxon Gilmore & Carraway, P.A.
201 E. Kennedy Blvd., Suite 600
Tampa, FL 33602
Jozette Chack-On, Esq.

EXHIBIT E

A. MANAGEMENT SERVICES

The Fee Developer shall be responsible for the following:

1. Causing the Project to proceed and achieve closing and construction completion in accordance with the Project schedule and the Project budget.
2. Assuring that all Project activities performed shall be performed and provided in accordance with generally accepted standards for quality development and construction of housing in Avon Park, Florida and in accordance with all applicable laws, regulations and ordinances.
3. Furnishing the skill, supervision and judgment necessary to perform the Fee Developer Services in a quality, expeditious and economical manner consistent with the best interests of Owner.
4. Subject to the review and approval of Owner, negotiating and entering into all necessary agreements for the Project between lenders, architects, construction contractors, governmental bodies on behalf of the Owner.
5. Attending meetings with Owner.
6. Preparing and implementing a plan for the Owner to satisfy its obligations to create accessible units that meet the HOME Program Requirements.
7. Recommending management training workshops for Owner to attend for HOME loan compliance and other purposes.

EXHIBIT E

B. FINANCING SERVICES

The Fee Developer shall continue to assist Owner in connection with financing or subsidy applications, underwritings, and closings. The Fee Developer will be responsible for coordinating reporting requirements required by any lenders during construction. The Fee Developer shall provide lien fee completion of construction. Lien free construction completion shall mean that the Owner has received (a) a certification executed by the Project's architect certifying that the construction of the Project is completed substantially in accordance with the plans and specifications, and (b) valid, unconditional releases from all persons entitled to record mechanic's liens, material supplier's liens and/or stop notices by reason of the construction of the Project. Owner acknowledges it may be necessary for Owner to procure letters of credit or other collateral as required by lenders. Fee Developer will help arrange for same at the Project's expense. Avon Park Housing Development Corporation, together with the Owner and Martin Wohl, individually, shall provide construction completion and operating deficit guarantees required by any construction or permanent lender, so long as terms and conditions and form of guaranty required from Martin Wohl are acceptable to and approved by Martin Wohl. Avon Park Housing Development Corporation, together with the Owner shall provide loan repayment guarantees and environmental indemnities required by any construction or permanent lender.

EXHIBIT E

C. DESIGN SERVICES

The Fee Developer shall be responsible for the following:

1. Preparing all budgets, schedules and contracts, including those with the architect, contractors and other parties working on the Project on behalf of the Owner. All such budgets, schedules and contracts shall be subject to the review and approval of Owner.
2. Selecting the architect and preparing bidding package strategy, all with the advice and review of Owner.
3. Applying for and obtaining all permits (including building and construction permits), licenses, easements and approvals necessary for the physical improvements contemplated by the Project.
4. Preparing and submitting all design documents and development plans, critical path schedules, cost estimates, budgets, schedules, specifications, and design and development documents to Owner for review and approval.
5. On an ongoing and timely basis, advising Owner as to the status of the processing of all applications necessary to obtain all governmental approvals required for the Project. Advising Owner as to any hearings or meetings regarding the Project with sufficient advance notice to enable Owner to attend such hearings or meetings.
6. Monitoring the performance of all persons and entities that are to provide design services to the Project and take such actions as are necessary to maintain adherence to quality standards, the Project budget and the Project schedule.
7. Providing value engineering services as requested by Owner.
8. Submitting as-built drawings upon completion of construction.
9. Providing monthly progress reports and coordinating design inspection services until certificates of occupancy are received.

EXHIBIT E

D. SITE SERVICES

The Fee Developer shall be responsible for the following:

1. Preparing complete site preparation analysis, design and technical specifications services through the completion of construction documents and a project manual that includes agreements, general requirements and technical specifications.
2. Clearing and otherwise preparing the site as necessary to perform its obligations hereunder.
3. Acquiring, constructing or obtaining site and public infrastructure, including access roads, utilities and facilities and cause the dedication and acceptance of the infrastructure improvements to the appropriate governmental authorities.
4. Conducting or preparing test borings, soil samples, geotechnical analysis and other similar investigations in connection with the site, including remediation and abatement of hazards, as necessary.
5. Performing all bidding and negotiation services and retaining all contractors on behalf of the Owner to perform the proposed construction work subject to the review and approval of Owner. Marmer Construction Inc., shall be the construction contractor for the Project.
6. Verifying utility locations based on plats and coordinate site preparation requirements with utility systems and providers for waste water, storm water, natural gas, electricity and telecommunications.
7. The removal, abandonment and relocation of on-site utilities as required to facilitate the construction of the site.
8. The removal of any existing subsurface structures on the site including demolition as required to facilitate the construction of the site.
9. Removal of unsuitable soils, existing pavement and/or other miscellaneous debris, as well as the excavation and recompaction of soils within building pads and parking lot areas in accordance with geotechnical design considerations and recommendations of the geotechnical consultant.
10. Selecting environmental and geotechnical consultants with the advice and review of Owner.
11. Coordinating any environmental and site services which may be required.

EXHIBIT E

E. CONSTRUCTION SERVICES

The Fee Developer shall be responsible for the following:

1. Preparing all construction plans, budgets, schedules and contracts, including those with the architect, contractors and other parties working on the Project on behalf of the Owner. All such plans, budgets, schedules and contracts shall be subject to the review and approval of Owner. The construction contract and all construction subcontracts shall comply with the most strict retainage requirements of any lender.
2. Selecting the architect and preparing bidding package strategy all with the advice and review of Owner.
3. Selecting the construction contractor with the review and approval of Owner. Marmer Construction Inc., shall be the construction contractor for the Project.
4. Applying for and obtaining all approvals, permits (including urban renewal and subdivision plans, building and construction permits), licenses, easements and approvals necessary for the physical improvements contemplated by the Project.
5. Preparing and submitting all construction plans, critical path schedules, cost estimates, budgets, schedules, specifications, life cycle analysis and design and construction documents to Owner for review and approval.
6. On an ongoing and timely basis, advising Owner as to the status of the processing of all applications necessary to obtain all governmental approvals required for the Project. Advising Owner as to any hearings regarding the Project with sufficient advance notice to enable Owner to attend such hearings.
7. Inviting Owner or its representative to all job meetings with the construction contractor, architect and other contractors. The Fee Developer shall also ensure that Owner or its representative have access to the Project at all times to inspect the Project and the progress thereof.
8. Causing the construction and completion of the Project in accordance with the Agreement, the Project schedule and the Project budget.
9. Monitoring the performance of all persons and entities that are to provide materials, equipment or services to the Project and shall take such actions as are necessary to maintain adherence to quality standards, safety standards, production schedules, shipping dates, and job-site requirements.
10. Monitoring the approved construction budget.
11. Submitting written construction progress reports and copies of construction draws to Owner monthly as construction proceeds, in such form as may be reasonably required.

12. Upon substantial completion, 6 months and 10 months after substantial completion, the Fee Developer and the architect shall inspect the work to determine and record the condition of the work. The Fee Developer shall notify Owner of such inspection, and shall allow Owner representatives to accompany it on any such inspection. The Fee Developer shall require the construction contractor to replace or correct faulty work.

13. Requiring the construction contractor to provide in form satisfactory to Owner property insurance on the completed improvements and work, performance and payment bonds, and warranties of good title to the work and workmanship. The Fee Developer shall place in all such contracts, provisions whereby each Subcontractor warrants its work from any and all potential construction defects. The warranties shall continue for a period of not less than one year from the date of final acceptance of the work.

EXHIBIT E

F. INTENTIONALLY OMITTED

EXHIBIT F

Insurance Requirements

Before commencing work, the Fee Developer and each contractor and subcontractor shall furnish Owner with Certificates of Insurance evidencing that the following insurance is maintained and in force (for the entire contract duration), providing coverage for all operations under this Agreement. In addition, all insurance policies shall be written naming the Fee Developer and Owner as *Additional Insureds*; as their interests may appear. All insurance shall be carried with financially responsible companies possessing an A.M. Best's Rating of B+ VI or better and shall be procured from a company(s) licensed to do business in the State of Florida. If any such insurance is due to expire during the construction period, the Fee Developer (including contractors and subcontractors, as applicable) shall not permit the coverage to lapse and shall furnish evidence of the reinstated coverage to the Owner (any lapse in coverage is cause for the immediate termination of this Agreement). All Certificates of Insurance, as evidence of coverage, shall provide that no coverage may be cancelled or non-renewed by the insurance carrier until at least 30 days prior written notice has been given to Owner. If the Fee Developer, including contractors and subcontractors has a "claims-made" policy, then the following additional requirements apply: The policy must provide a "retroactive date" which must be on or before the execution date of the Agreement; and the extended reporting period (Tail) may not be less than five years following the completion date of the Agreement. Owner may, at its sole discretion, add, raise, waive or reduce in limits, any insurance coverage required under this Agreement as set forth below.

1. **Worker's Compensation Insurance** - The Fee Developer will require the contractors and subcontractors to obtain and maintain during the term of the contract, Worker's Compensation Insurance (including Employers Liability) and shall apply and be in accordance with all Florida statutory requirements.

2. **General Liability Insurance** - The Fee Developer, including contractors and subcontractors shall obtain and maintain during the term of the contract coverage with a **Combined Single Limit** for "bodily injury" (including death, public liability & personal injury) and "property damage" of not less than **\$2,000,000 per occurrence**, to protect the Fee Developer and each contractor and subcontractor against claims for injuries and damage to the property of others. This shall also cover the use of all equipment, hoists, and vehicles on the sites(s) not covered by the Automobile Liability Insurance - under **Section 3 below**. In addition, the Certificate of Insurance *must name Owner as an additional insured*.

3. **Automobile Liability Insurance** - The Fee Developer, including contractors and subcontractors shall obtain and maintain during the term of the Agreement, coverage on all motor vehicles owned and non-owned, hired, leased or otherwise used on the site(s) or in connection therewith. This insurance shall provide coverage for "bodily injury" (including death) and "property damage" with a **Combined Single Limit** in an amount not less than **\$500,000 per occurrence** and shall be in accordance with all Florida statutory requirements.

6. **Builder's Risk / Installation Floater** - Insurance shall be in place before commencing any work. The Fee Developer shall furnish Owner with a Certificate of Insurance

evidencing Builder's Risk (Fire & Extended Coverage -Special Form) Insurance covering the full-replacement value of all work in-place and/or materials stored at the building site(s), including foundations, building equipment and debris removal. The Builder's Risk Insurance shall be for the benefit of the Fee Developer and Owner, as their interests may appear and each shall be named in the policy or policies as an insured. The Fee Developer in installing equipment supplied by the Owner shall carry insurance on such equipment from the time the Fee Developer takes possession thereof and until the Agreement work is accepted by Owner. The Builder's Risk Insurance need not be carried on excavations, piers, footings, or foundations until such time as work on the super-structure is started. It need not be carried on landscape work. Policies shall furnish coverage at all times for full replacement value (without depreciation) of all completed construction, as well as materials stored "on-site," "off-site," "in-place," and "in-transit," all of which shall be the responsibility of the Fee Developer, whether or not partial payment has been made by Owner. The Fee Developer is not required to carry Builder's Risk Insurance for modernization work which does not involve structural alterations or additions or where Owner's existing Fire & Extended Coverage policy can be endorsed to include such work. The Fee Developer may terminate this insurance, on those buildings accepted by Owner as of date of said acceptance.

The Fee Developer shall require the contractor to furnish a "Builder's Risk" policy as specified in the preceding paragraph 6, covering (a) & (b) below:

- (b) **New Construction** work shall be insured with "Builder's Risk" Insurance (Builder's Risk Insurance only insures the value of the improvement(s) and not the existing structure) in the amount of **THE FULL CONTRACT VALUE** (or sector value, where Owner has assigned work sectors), providing full replacement value of the new construction on a "Special Form" including Flood and Earthquake.
- (b) **Installation Floater** (Machinery & Equipment) - The Fee Developer, **when appropriate** (including all applicable subcontractors), shall obtain and maintain during the term of the Agreement, coverage for all materials, machinery and equipment during the transit, storage, installation and testing to and on the premises. This coverage shall continue until the Owner has formally accepted work as complete. The limits for this coverage shall be in the amount of **THE FEE DEVELOPER'S FULL CONTRACT VALUE** (for MACHINERY & EQUIPMENT Installations) **per occurrence**, providing full replacement value (Special Form) for any loss incurred while in-transit or at any one location.

In addition to the above requirements to obtain and maintain Workers Compensation, General Liability, Automobile Liability, Pollution Liability, Professional Liability and Builder's Risk insurance **Owner is to be named as Additional Insured on all policies.**