

**APHDC-CORNELL COLONY, LLC**

**SPECIAL MEETING AGENDA**

**Board of Directors  
North Central Heights Community Center  
Avon Park, Florida  
Tuesday, August 26th, 2014**

**Immediately following APHDC Special Board Meeting**

**ROLL CALL**

**CALL TO ORDER;**

**I. NEW BUSINESS;**

Cornell Colony Housing Development Project: One Agenda Item

Resolution No. 14-01; APHDC-CORNELL COLONY, LLC call for affirmative vote & consent for adoption and approval of, execution and delivery of all agreements, commitments and covenants necessary in connection with the development, construction, financing, ownership, operation, or otherwise of the project described as Cornell Colony; authorizes and approves the execution of an Operating Agreement with Avon Park Housing Development Corporation; and authorizes the Secretary and Chairperson & Vice Chairperson to sign the requisite agreements.

**II. 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.

APHDC-CORNELL COLONY, LLC

**Resolution No. 14-01**

**APHDC-Cornell Colony, LLC, affirmatively votes for, consents to, adopts and approves APHDC-Cornell Colony, LLC the execution and delivery of all agreements, commitments and covenants necessary in connection with the development, construction, financing, ownership, operation, or otherwise of the project known as Cornell Colony; APHDC -Cornell Colony, LLC affirmatively votes for and approves the execution of an Operating Agreement with APHDC and authorizes the Secretary, the Chairperson and Vice-Chairperson to sign the requisite referenced agreements.**

Whereas, The APHDC-Cornell Colony, LLC has received from FHFC notice of preliminary project selection and invitation to participate in the initial loan underwriting qualifying process and,

Whereas, The (HOME) Program preliminary qualifying process requires the execution of certain agreements and supporting documents as required as a condition for continued application eligibility, including Operating Agreement between the APHDC & APHDC-Cornell Colony, LLC, attached as Exhibit A and incorporated into this Resolution by reference herein.

NOW THEREFORE BE IT RESOLVED that the Directors of the APHDC-Cornell Colony, LLC authorize the Secretary, acting on behalf of the APHDC-Cornell Colony, LLC to complete, execute and forward, the required documents to qualify for funding eligibility under the 2014 HOME Program application cycle for the above titled project AND

BE IT FURTHER RESOLVED that the APHDC-Cornell Colony, LLC Board of Directors hereby authorizes, in addition to the Secretary, Chairman/Director Harris, Vice-Chairperson/Director Daffner, to execute requisite HOME program participation documents as required to in conjunction with project application.

ADOPTED THIS 26th DAY OF AUGUST 2014 with retroactive effective date 17<sup>th</sup>, June, 2014.

Accepted \_\_\_\_\_

Attest \_\_\_\_\_

SEAL

*Exhibit A*

**OPERATING AGREEMENT**

**OF**

**APHDC-CORNELL COLONY, LLC**

DATED: August 26, 2014

## TABLE OF CONTENTS

	Page
ARTICLE I. ORGANIZATION .....	1
Section 1.1. Formation of the Company .....	1
Section 1.2. Name .....	1
Section 1.3. Term.....	1
Section 1.4. Character of Business; Powers .....	2
Section 1.5. Name and Address of the Member .....	2
Section 1.6. Principal Place of Business.....	2
Section 1.7. Domestic Registered Agent and Registered Office .....	2
Section 1.8. Certain Definitions.....	2
Section 1.9. Additional Definitions .....	3
ARTICLE II. CAPITAL CONTRIBUTIONS .....	3
Section 2.1. Initial Capital Contribution.....	3
Section 2.2. No Additional Capital Contributions.....	3
ARTICLE III. DISTRIBUTIONS .....	3
Section 3.1. Distributions of Operating Proceeds.....	3
ARTICLE IV. ALLOCATION OF PROFITS AND LOSSES .....	4
Section 4.1. Profits and Losses .....	4
ARTICLE V. ACCOUNTING.....	4
Section 5.1. Accounting Methods; Company Records .....	4
Section 5.2. Fiscal Year .....	4
Section 5.3. Bank Accounts; Title to Business Property .....	4
Section 5.4. Tax Status .....	4
ARTICLE VI. OFFICERS.....	4
ARTICLE VII. POWERS, RIGHTS AND DUTIES OF THE MEMBER.....	5
Section 7.1. Intentionally Left Blank .....	5
Section 7.2. Liability and Indemnification of the Member and Affiliates.....	5
Section 7.3. Compensation and Expense Reimbursements .....	5
Section 7.4. Liability for Company Debts and Obligations.....	5

ARTICLE VIII. CONTROL AND MANAGEMENT .....	5
Section 8.1. Management and Control of the Company.....	5
Section 8.2. Expressly Authorized Rights and Powers.....	5
Section 8.3. Certain Limitations. ....	6
ARTICLE IX. DISSOLUTION OF THE COMPANY .....	7
Section 9.1. Liquidation Events.....	7
Section 9.2. Distribution of Proceeds on Dissolution; Winding Up; Reserves .....	7
ARTICLE X. GENERAL.....	8
Section 10.1. Amendments .....	8
Section 10.2. Miscellaneous .....	8

**Index of Defined Terms**

<u>Defined Term</u>	<u>Page Number</u>
Act . . . . .	1
Agreement . . . . .	2
Business . . . . .	2
Business Property . . . . .	2
APHDC-CORNELL COLONY LLC . . . . .	1
Company . . . . .	2
Dissociation Event . . . . .	6
Dissolution Proceeds . . . . .	6
Dissolution Reserves . . . . .	7
Effective Date . . . . .	1
Extraordinary Loss . . . . .	2
Liquidation Event . . . . .	6
Member . . . . .	2
Misconduct . . . . .	5
Operating Proceeds . . . . .	2
Person . . . . .	3
Winding-Up Person . . . . .	6

**OPERATING AGREEMENT OF  
APHDC-CORNELL COLONY, LLC**

THIS OPERATING AGREEMENT (the "Agreement") is made and entered into as of the 26th day of August, 2014 (the "Effective Date"), by Avon Park Housing Development Corporation, a Florida nonprofit corporation ("APHDC"), as the sole member.

**RECITALS**

(A) APHDC has organized APHDC-CORNELL COLONY LLC, a Florida limited liability company (the "Company").

(B) This Agreement sets forth APHDC's understanding with respect to the continued organization and operation of the limited liability company and the scope and conduct of its business.

NOW, THEREFORE, in consideration of the receipt of all of the outstanding interests in the Company, APHDC hereby declares as follows:

**ARTICLE I. ORGANIZATION**

**Section 1.1. Formation of the Company.** The Member hereby declares itself to be the sole member of the Company, with all of the rights of a member in a limited liability company formed under the provisions of the Florida Limited Liability Company Act (the "Act") for the limited purposes set forth in this Agreement. "Articles of Organization" which conform to the requirements of the Act have been filed in the appropriate governmental offices in order to constitute the Company as a valid Florida limited liability company under the Act, effective as of the Effective Date.

**Section 1.2. Name.** The Company shall conduct its affairs solely under the name of "APHDC-CORNELL COLONY LLC", and such name shall be used at all times in connection therewith.

**Section 1.3. Term.** The term of the Company shall commence as of the Effective Date and shall continue until the winding up and liquidation of the Company following a Dissociation Event, as provided in Article VIII.

**Section 1.4. Character of Business; Powers.**

(A) The business of the Company (the “Business”) is to (1) acquire, own, hold, vote, sell, exchange or otherwise dispose of all or any part of the Business Property and to exercise all rights and engage in all activities related thereto, and (2) exercise all rights and powers and engage in all activities related or ancillary to the foregoing which a limited liability company may legally exercise pursuant to the Act.

(B) The Company shall not engage in any activity other than the Business. So long as the Company’s Articles of Organization provide for the Company’s management by one or more Members, each Member shall have the authority, individually and without the requirement of approval from any other Member, to transact any business on behalf of the Company or incur any liability or obligation on behalf of the Company, subject to the limitations set forth in Sections 7.1 and 8.3 below.

**Section 1.5. Name and Address of the Member.** The name and mailing address of the Member is Avon Park Housing Development Corporation, a Florida nonprofit corporation, 21 Tulane Drive, Avon Park, Florida 33825.

**Section 1.6. Principal Place of Business.** The principal place of business of the Company shall be located at the Member’s address as set forth above, or such other location as the Member may hereafter determine.

**Section 1.7. Domestic Registered Agent and Registered Office.** The name of the Company’s registered agent for service of process in Florida and its registered office in Florida shall be Larry P. Shoeman, 21 Tulane Drive, Avon Park, Florida 33825. The Member may change such registered agent and/or registered office, at any time, by making all appropriate filings.

**Section 1.8. Certain Definitions.** As used herein, the following terms have the following meanings:

(A) “Agreement” means this Limited Liability Company Agreement, as amended, restated or supplemented from time to time as herein provided.

(B) “Business Property” means all property, assets and interests (whether real or personal, tangible or intangible) owned or held from time to time by the Company.

(C) “Company” means this limited liability company.

(D) “Member” means Avon Park Housing Development Corporation, a Florida nonprofit corporation (“APHDC”), and any successor to APHDC’s interest in the Company who is admitted as a Member in connection with the acquisition of an interest in the Company.

(E) “Operating Proceeds” for the applicable period means all cash receipts of the Company during such period (excluding Dissolution Proceeds) plus the amount of any cash released from Company reserves during such period, less the following costs and expenses paid during such period (to the extent not paid from reserves): (1) cash operating expenses, (2)



interest and principal payments on any indebtedness of the Company, and (3) any additions to Company reserves which the Member, in good faith, shall determine are desirable or reasonably necessary to the conduct of the Business and affairs of the Company or which the Company is required to make by any governmental authority or pursuant to any "net worth" or similar requirement applicable to the Company.

(F) "Person" means an individual, partnership, corporation, limited liability company, trust, or other association.

**Section 1.9. Additional Definitions.** The definitions in Section 1.8 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation." The words "herein," "hereof," "hereunder," and similar terms shall refer to this Agreement, unless the context otherwise requires.

## **ARTICLE II. CAPITAL CONTRIBUTIONS**

**Section 2.1. Initial Capital Contribution.** The Member has contributed cash, in the amount of \$50.00, to the capital of the Company.

**Section 2.2. No Additional Capital Contributions.** The Member shall not be required to make any additional capital contributions or loans to the Company or be personally liable for the payment of any debts of the Company. The Member may, in its sole and absolute discretion, from time-to-time either directly or indirectly through employees, agents and/or officers (or their equivalent) of the Member or its affiliates, (1) contribute labor or administrative services in connection with the routine conduct of the Business and the development and maintenance of the Business Property, and (2) make additional capital contributions or loans to pay routine operating expenses incurred by the Company with respect to the Business Property; **PROVIDED, HOWEVER,** that, the Member shall in no event be obligated to make any contributions or loans to the capital of the Company without the prior written consent of the Member, which may be given or withheld in its sole and absolute discretion. The provisions of this section 2.2 are not intended to nor shall they be construed as granting any third party any rights hereunder.

## **ARTICLE III. DISTRIBUTIONS**

**Section 3.1. Distributions of Operating Proceeds.** The Company's Operating Proceeds shall be distributed to the Member at such times as the Member shall determine but not less than annually.

## **ARTICLE IV. ALLOCATION OF PROFITS AND LOSSES**

**Section 4.1. Profits and Losses.** 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 5.4.

## **ARTICLE V. ACCOUNTING**

**Section 5.1. Accounting Methods; Company Records.**

(A) The Company's books, financial statements and records shall be prepared in accordance with generally accepted accounting principles, consistently applied. The Company shall use the accrual method of accounting. All federal, state and local statements and records of the Company shall be prepared by a firm of certified public accountants selected by the Member.

(B) The Company shall comply with all record keeping requirements imposed by the Act. The Company shall maintain its books, records and financial statements separate from those of any other Person.

**Section 5.2. Fiscal Year.** The fiscal year of the Company shall be the calendar year.

**Section 5.3. Bank Accounts; Title to Business Property.** The funds of the Company shall be deposited in such bank accounts, or invested in such interest-bearing or noninterest-bearing investments in the Company's name, as shall be determined by the Member. The funds of the Company shall not be commingled with the funds of the Member or any other Person and no Person shall employ such funds in any manner except for the benefit of the Company. Title to the Business Property shall be held, and conveyances thereof, as permitted hereunder, shall be made, in the name of the Company. In no event shall any property or assets held by the Member, in its individual capacity, or any affiliate of the Member (other than the Company) be deemed to be Company property nor shall the Company have any interest therein.

**Section 5.4. 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 VI. OFFICERS**

A Member designated by the Members shall, to the extent such title is expedient to the business of the Company, be the President of the Company and shall be the chief executive and operating officer of the Company, unless such officers are otherwise designated.

**ARTICLE VII. POWERS, RIGHTS AND DUTIES OF THE MEMBER**

**Section 7.1. Intentionally Left Blank.**

**Section 7.2. Liability and Indemnification of the Member and Affiliates.**

(A) Neither the Member nor any affiliate of the Member shall be liable, responsible or accountable in damages or otherwise to the Company or to the Member for any action taken or failure to act on behalf of the Company unless such action or omission was an intentional breach

of this Agreement or constituted gross negligence, bad faith or wanton or willful misconduct (collectively, "Misconduct").

(B) Except with respect to Misconduct, the Company shall, to the fullest extent permitted under the Act, indemnify and hold harmless the Member and its affiliates from any loss, damage, liability or expense incurred or sustained by them by reason of any fact performed or any omission for or on behalf of the Company or in furtherance of the interests of the Company, including any judgment, award, settlement, reasonable attorneys' fees and other costs and expenses (which may be advanced by the Company) incurred in connection with the defense of any actual or threatened action, proceeding or claim.

**Section 7.3. Compensation and Expense Reimbursements.** The Company shall not pay the Member any salary or other compensation for acting as Member or for any service rendered to the Company. The Company shall reimburse the Member and the Winding-Up Person (as defined in Section 9.2) for all reasonable out-of-pocket expenses incurred by them in connection with the discharge of their duties under this Agreement.

**Section 7.4. Liability for Company Debts and Obligations.** The Member shall not be personally liable for any of the expenses, liabilities or obligations of the Company except to the extent expressly provided in an agreement executed by the Member evidencing its agreement to be personally liable for such expenses, liabilities or obligations.

## **ARTICLE VIII. CONTROL AND MANAGEMENT**

**Section 8.1. Management and Control of the Company.** The Members shall each have, except as specifically limited in this Agreement, full and exclusive authority in the management and control of the Company and shall have all the rights and powers which are otherwise conferred by law or are necessary or advisable for the discharge of their duties and the management of the business and affairs of the Company.

**Section 8.2. Expressly Authorized Rights and Powers.** Without limiting the generality of Section 8.1, but subject to the provisions of this Section 8.2, the Members are expressly authorized on behalf of the Company to:

(A) procure and maintain with responsible companies such insurance as may be advisable in such amounts and covering such risks as are deemed appropriate by the Managers;

(B) take and hold any assets of the Company in the Company name, or in the name of a nominee of the Company;

(C) execute and deliver on behalf of and in the name of the Company, or in the name of a nominee of the Company, all instruments necessary or incidental to the conduct of the Company's business;

(D) protect and preserve the assets of the Company;

(E) will, dispose of, trade, exchange, convey, quitclaim, surrender, release or abandon, upon terms and conditions which the Managers may negotiate and deem appropriate, personal property of the Company in the ordinary course of business;

(F) execute and deliver documents and instruments on behalf of the Company in connection with the acquisition and disposition of its assets, and to execute, terminate, modify, enforce, continue or otherwise deal with any Company indebtedness and security interests, and to take any other action with respect to agreements made between the Company and a lender or any affiliate thereof, all subject to the limitations of Section 8.3;

(G) open Company bank accounts in which all Company funds shall be deposited and from which payments shall be made; and

(H) invest Company funds and working capital reserves.

**Section 8.3. Certain Limitations.** Notwithstanding the generality of the foregoing, and in addition to other acts expressly prohibited by this Agreement or by law, in the event the Company has more than one Member, no Member shall have the authority to do any of the following without the approval of Members holding the right to receive a majority of the Operating Proceeds under Section 3.1 above:

(A) do any act in contravention of this Agreement;

(B) do any act which would make it impossible to carry on the ordinary business of the Company, except as expressly provided in this Agreement;

(C) confess a judgment against the Company or otherwise settle or compromise any litigation or other adversarial proceeding;

(D) execute or deliver any general assignment for the benefit of the creditors of the Company;

(E) assign rights in specific Company property for other than a Company purpose;

(F) knowingly or willingly do any act (except an act expressly required by this Agreement) which would cause the Company to become an association taxable as a corporation;

(G) sell, assign or transfer all or substantially all of the other assets of the Company or cause the Company to merge with another entity;

(H) encumber, pledge, or allow a lien to be created against any assets of the Company; or

(I) incur any indebtedness on behalf of the Company.

## **ARTICLE IX. DISSOLUTION OF THE COMPANY**

**Section 9.1. Liquidation Events.** No act, thing, occurrence, event or circumstance shall cause or result in the dissolution of the Company except that the earliest to occur of any of the following events (a "Liquidation Event") shall work an immediate dissolution of the Company:

(A) The sale or other disposition of all or substantially all of the Business Property; and

(B) Any event (each, a "Dissociation Event") described in Section 608.441 of the Act occurring with respect to the sole remaining Member; PROVIDED, HOWEVER, the transfer, conveyance, exchange, assignment or other disposition of the Member's entire interest in the Company to a Person who is contemporaneously therewith expressly admitted as a Member pursuant to a writing executed and delivered by the transferor-Member, shall not constitute a Dissociation Event.

**Section 9.2. Distribution of Proceeds on Dissolution; Winding Up; Reserves.**

(A) Upon the occurrence of a Dissolution Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, satisfying the claims of its creditors, and liquidating its assets, and the Member shall not take any action that is inconsistent with or unnecessary to the winding up of the Company's business and affairs. To the extent not inconsistent with the foregoing, all covenants and obligations in this Agreement shall continue in full force and effect until such time as the Dissolution Proceeds have been distributed pursuant to this Section and the Company has filed articles of dissolution.

(B) The Member or the Member's successor-in-interest (in either case, the "Winding-Up Person"), shall be responsible for overseeing the winding up and liquidation of the Company. As soon as reasonably practical after the occurrence of a Liquidation Event, the Winding-Up Person shall file a notice of winding up and take such other actions as are required under the Act to dispose or make provision for the known and unknown claims against the Company. After filing the notice of winding-up, the Winding-Up Person shall take full account of the Company's liabilities and the Business Property, cause the Business Property to be liquidated as promptly as is consistent with obtaining the fair value thereof, and shall cause the proceeds therefrom and any other assets and funds of the Company (collectively, the "Dissolution Proceeds"), to the extent sufficient therefor, to be applied and distributed in the following order:

(1) First, to the payment of the Company's known debts and liabilities, but if the amount available therefor shall be insufficient, then pro rata on account thereof; and

(2) Then, the balance, if any, less such reserves ("Dissolution Reserves") as the Winding-Up Person reasonably determines are necessary or appropriate for anticipated or contingent expenses of the Company, shall be distributed to the Member.

(C) To the extent the Winding-Up Person subsequently determines Dissolution Reserves (or any part thereof) to be unnecessary for Company expenses, it shall cause such amounts to be distributed or paid to the Member, or other Persons who would have received the

proceeds comprising such Dissolution Reserves under this Section as if such proceeds had not been used to fund Dissolution Reserves.

(D) When all of the Company's property and assets have been applied and/or distributed as provided in this Section, the Winding-Up Person shall file articles of termination as provided in the Act and take such other actions as may be necessary to cause the Company to withdraw from all jurisdictions where the Company is then authorized to transact business. The Winding-Up Person shall not receive any compensation for any services performed pursuant to this Section.

## **ARTICLE X. GENERAL**

**Section 10.1. Amendments.** This Agreement may be amended only by a written agreement executed by the Member which specifically and expressly states that it is an amendment to this Agreement. This Agreement shall automatically terminate and become of no force and effect upon the earlier to occur of (1) the date the Company has more than one Member, (2) thirty (30) days after the date the Member transfers its entire Interest to any Person and such Person then becomes a Member pursuant to a writing executed and delivered by the transferor Member contemporaneously with such transfer, or (3) the date the Member executes a new operating agreement which conforms with the Act.

**Section 10.2. Miscellaneous.** This Agreement and the rights of the Member hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the Member and its legal representatives, successors and assigns. Captions contained in this Agreement in no way define, limit or extend the scope or intent of this Agreement. If any provision of this Agreement, or the application of any such provision to any Person or circumstance shall be held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, the remainder of this Agreement, or the application of such provision to any other Persons or circumstances, shall not be affected thereby and shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof. In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part hereof a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. Every exhibit, schedule, and other appendix attached to this Agreement and referred to herein is incorporated in this Agreement by reference.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

**SOLE MEMBER**

**AVON PARK HOUSING DEVELOPMENT  
CORPORATION**, a Florida nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_