PICERNE DEVELOPMENT
CORPORATION OF FLORIDA

247 N. WESTMONTE DRIVE
ALTAMONTE SPRINGS, FL 32714
TEL. (407) 772-0200 ■ FAX (407) 772-0220

October 12th, 2016

Ms. Michele Norton
Planning Division Manager
Planning and Zoning Division
City Hall, First Floor
4970 City Hall Boulevard
North Port, FL 34286

Re: Local Government Contribution Request – Toledo Place, North Port, FL

Dear Ms. Norton,

The enclosed Local Government Contribution application and attachments outline a proposed affordable housing development located within the city of North Port, Florida. The proposed development is to accommodate a 100-unit mixed income rental development with 80 units of restricted rental housing utilizing Florida Housing Finance Corporation ("FHFC") 9% competitive Housing Credits. FHFC requires a Local Government Contribution in the amount of $50,000. We are submitting this letter and attached application in hopes of securing the Local Government Contribution in order be eligible for FHFC funding.

Picerne Real Estate Group, founded in 1925, is a vertically integrated company that develops, builds, and manages residential communities. With offices in Arizona, Florida, Rhode Island and Puerto Rico, Picerne has developed over 40,000 units and has consistently been among the Top 25 owners/managers/builders in the United States as ranked by Builders Magazine, National Real Estate Investor, and Multifamily Executive.

The Company currently owns and manages 15,000 rental units, and has historically developed between 1,000 and 4,000 units each year nationwide. Picerne's Florida office opened in Orlando in 1984 and is organized and operated by Robert Picerne. Today the company has several projects under construction, and has a development pipeline in target markets that include Orlando, Tampa, Sarasota, Austin, and Massachusetts, among others.

Please contact us with any questions you may have. We look forward to working with you.

Sincerely,

Isaiah "Ike" Cottle, MSRE – Assistant Vice President of Development

Enclosures: Local Government Contribution Application and required attachments

City of North Port

REQUEST FOR CONTRIBUTIONS APPLICATIONS FOR
DEVELOPMENT/REHABILITATION OF AFFORDABLE MULTI-FAMILY RENTAL HOUSING
FOR THE STATE OF FLORIDA'S FY 2016-2017 LOW INCOME HOUSING TAX CREDIT PROGRAM

TOLEDO PLACE

Picerne Affordable Development, LLC
247 N. Westmonte Drive
Altamonte Springs, FL 32714
Attn: Todd Wind

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CITY OF NORTHPORT, FLORIDA
REQUEST FOR CONTRIBUTIONS APPLICATION FOR DEVELOPMENT/REHABILITATION OF AFFORDABLE MULTI-FAMILY RENTAL HOUSING
FOR THE STATE OF FLORIDA'S FY 2016-2017 LOW INCOME HOUSING TAX CREDIT PROGRAM

SECTION I. APPLICANT and CO-SPONSOR

Applicant and Co-Sponsor Information

1.1 Applicant

Applicant Name: Toledo Place, LP

Applicant Address: 247 N. Westmonte Drive

City: Altamonte Springs State: FL Zip: 32714

Contact Name: Todd Wind Title: Vice President

Phone: 407-772-0200 Fax: 407-772-0220

Email: twind@picernefl.com FEIN: TBD

TIN:

1.2 Co-Sponsor

Co-Sponsor Name: Picerne Investment Corporation ☐ Not Applicable

Co-Sponsor Address: 247 N. Westmonte Drive

City: Altamonte Springs State: FL Zip: 32714

Contact Name: Todd Wind Title: Vice President

Phone: 407-772-0200 Fax: 407-772-0220

Email: twind@picernefl.com FEIN: 05-0300997

If awarded funds pursuant to this application, will the applicant or co-sponsor be the recipient of funds? ☒ Yes ☐ No

If "No", please indicate type of entity-to-be-formed and anticpated name:

1.3 Please check appropriate Applicant type:

☐ Individual ☐ For-Profit Entity ☐ Non-Profit Entity

☒ Partnership * ☐ Limited Liability Company

☐ Housing Authority ☐ Community Development Corporation *

☐ Other

*Date Corp or Partnership was established: 10/6/2016

1.4 Please check appropriate Co-Sponsor type

☐ Individual ☐ For-Profit Entity ☐ Non-Profit Entity

☐ Partnership * ☐ Limited Liability Company

☐ Housing Authority ☐ Community Development Corporation *

☒ Other Corporation

*Date Corp or Partnership was established: 4/20/1951

If joint venture, explain the role of the non-profit:

N/A

1.5 Organizational Documents

If the applicant or co-sponsor is a legally existing organization, submit a copy of any incorporation documents and bylaws, including (if applicable) documentation of non-profit status and certificate of legal existence for the current year.

☒ Yes ☐ No

1.6 Management Changes

Has there been any management or ownership changes in the Applicant and/or Co-Sponsor entity in the last twelve-month period? (if "Yes" describe below)

☐ Yes
☒ No

1.7 Financial Statements

Attach the last three years audited financial statements or personal financial statements (include notes and projections) for both the applicant, co-sponsors, and principals. If the Applicant and Co-Sponsor is newly formed with no historical financial statements, then please provide financial statements for the parent organization.

1.8 Applicant and Co-Sponsor's Capacity and Experience

1.8.a. Please provide a written description of the Applicant's and Co-Sponsor's record of performance, qualifications and capacity to perform its responsibilities for this development.

1.8.b. Work Completed and in Process

On the Applicant Capacity form (Exhibit A) provided, please identify:

1. All developments currently underway by the Applicant or co-sponsor
2. Developments completed in the last five years
3. Five completed developments of similar type and scale in the last five years

1.9 Bankruptcy

1.9.a Has the Applicant, Co-Sponsor, or any members of its development team, ever declared bankruptcy? ☐ Yes ☒ No

1.10 Taxes

Are the applicant and Co-Sponsor current on all local, state, and federal taxes? ☒ Yes ☐ No

SECTION II. DEVELOPMENT TEAM

2.1 Qualified Development Team Contact Information

Provide information identifying the proposed qualified development team members on the form provided (Exhibit B). Provide descriptions of relevant experience and qualifications for each team member. Include resumes for all development team members.

SECTION III. DEVELOPMENT

3.1 Development Information

Development Name: Toledo Place

Development Address: 1191 West Price Blvd County: Sarasota

City: North Port State: FL Zip: 34288

Is Development Located in a Low to Moderate Income Census Block Group? ☐ Yes ☒ No

3.2 Development Narrative

Each application must contain a project narrative that summarizes the scope of the proposal and the roles of the development team. This narrative should include: A description of the proposal, including its location(s), development type, unit mix and unit size; description of project design; proposed rents; a description of need and the target market; a description of special amenities and services; a summary of proposed construction and permanent financing, anticipated start and completion dates; and the project must address local housing needs and priorities, as documented in the City's 2016 Strategic Plan. Please review and address all selection criteria and evaluation factors found within the application instructions.

3.3 Development Schedule

Complete a development schedule based on key events (acquisition, site plan approval, construction, occupancy, etc.) (Exhibit C).

3.4 Does the Applicant and/or Co-Sponsor have a previous financial involvement or history with this property? ☐ Yes ☒ No

3.5 Has the Applicant and/or Co-Sponsor met with the Planning Division regarding this project? ☒ Yes ☐ No

3.6 Site Control (check all that apply)

Please attach copies of all site control documents received to date.

	Number of Parcels
Deed	
Option Agreement*	
Purchase Contract* Yes	1
Ground Lease	
Other (i.e. – designated/preferred developer agreement)	

Deed	Acquisition Price		Acquisition Date
Option Agreement*	Expiration Date		
Purchase Contract*	Expiration Date	11/30/17 W/(3) 60 day extensions	
Ground Lease	Ground Lessor		Maturity Date
Other (i.e. – designated/preferred developer			

3.7 Site Plan

Please provide a preliminary site plan including building footprint(s) and all site improvements (identify scale on the drawings).

3.8 Schematic Drawings

Please provide elevations and proposed floor plans, if available (identify scale on the drawings).

SECTION IV. FINANCING

4.1 Labor Standards/Prevailing Wages

For projects that trigger federal prevailing wage requirements, the bid and construction documents must include all standard federal Labor Compliance clauses and the cost estimate must be based on Davis-Bacon costs. Contact your Project Representative prior to submission of the application to determine if Federal Labor requiremetns will be triggered. Developers, Consultants, Contractors, and Subcontractors must be cleared from State and Federal Susspended and Disbarred Contractor Lists.

Will Davis Bacon wage raters be required for this project? (Check "Yes" if there will be 12 or more HOME assisted units)

☐ Yes ☒ No

4.2 Attach Development and Operating Pro-formas including Sources and Uses of Funds (Submit own Forms).

Applicant Signature — Date 10/14/16

Co-Sponsor Signature — Date 10/14/16

October 13, 2016

FLORIDA DEPARTMENT OF STATE
Division of Corporations

TOLEDO PLACE, LP
247 NORTH WESTMONTE DR
ALTAMONTE SPRINGS, FL 32714

The Certificate of Limited Partnership of TOLEDO PLACE, LP, a Florida limited partnership or limited liability limited partnership, was filed on October 12, 2016 and assigned document number A16000000551. Please refer to this number whenever corresponding with this office.

This document was electronically received and filed under FAX audit number H16000249991.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a $400 late fee will be added. It is your responsibility to remember to file your annual report in a timely manner. A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Apply today with the IRS online at:

https://sa.www4.irs.gov/modiein/individual/index.jsp

Please be aware if the limited partnership/limited liability limited partnership address changes, it is the responsibility of the limited partnership/limited liability limited partnership to notify this office.

Should you have any further questions concerning this matter, please contact this office at the address given below.

Dionne M Scott
Regulatory Specialist II
Registration Section
Division of Corporations

Letter Number: 616A00022030

Florida Department of State
Division of Corporations
Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

(((H16000249991 3)))

H160002499913ABC8

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:
Division of Corporations
Fax Number : (850)617-6383

From:
Account Name : BROAD AND CASSEL (ORLANDO)
Account Number : I19980000090
Phone : (407)839-4200
Fax Number : (407)839-4264

Enter the email address for this business entity to be used for future annual report mailings. Enter only one email address please.

Email Address: mvice@picernefl.com

FLORIDA/FOREIGN LP/LLLP

Toledo Place, LP

Certificate of Status	**0**
Certified Copy	**0**
Page Count	**02**
Estimated Charge	**$1,000.00**

Electronic Filing Menu Corporate Filing Menu Help

CERTIFICATE OF LIMITED PARTNERSHIP
OF
TOLEDO PLACE, LP

Pursuant to the authority of Section 620.1201, Florida Statutes, the undersigned, constituting the sole general partner of TOLEDO PLACE, LP (the "Partnership"), hereby submits the following in connection with the formation of the Partnership:

1. The name of the Partnership shall be Toledo Place, LP (the "Partnership").

2. The address of the initial office where records shall be kept shall be 247 North Westmonte Drive, Altamonte Springs, Florida 32714. The name and address of the initial registered agent for service of process is CT Corporation System, 1200 S. Pine Island Rd., Plantation, Florida 33324.

3. The names and initial business address of the General Partner is:

TOLEDO PLACE GP, LLC,
a Florida limited liability company
247 North Westmonte Drive
Altamonte Springs, Florida 32714

4. The initial mailing address of the limited partnership is 247 North Westmonte Drive, Altamonte Springs, Florida 32714.

5. The Partnership hereby elects not to be a limited liability limited partnership.

This Certificate has been executed by the undersigned as of the 6th day of October, 2016.

GENERAL PARTNER

TOLEDO PLACE GP, LLC, a Florida limited liability company

By: _____
Robert M. Picerne, Manager

4825-8923-5002.1
22887/0219

ACKNOWLEDGEMENT OF REGISTERED AGENT

Having been designated as the Registered Agent for **TOLEDO PLACE, LP**, the undersigned hereby accepts the designation and agrees to act as the Registered Agent of said limited partnership and states that it is familiar with and accepts its statutory obligations as such.

CT Corporation System

By: _____
Name: _____
Title: _____

AMY BERTELETTI
VICE PRESIDENT

Dated this 6th day of October, 2016.

State of Florida
Department of State

I certify from the records of this office that TOLEDO PLACE, LP is a limited partnership organized under the laws of the State of Florida, filed on October 12, 2016.

The document number of this limited partnership is A16000000551.

I further certify that said limited partnership has paid all fees due this office through December 31, 2016 and that its status is active.

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

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the Thirteenth day of October, 2016

Ken Detzner

Secretary of State

Tracking Number: CU0642106125

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

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

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State

Matthew A. Brown
Secretary of State

Date: **June 23, 2006**

PICERNE INVESTMENT CORPORATION
(71 Pages)

A TRUE COPY WITNESSED UNDER THE SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Matthew Brown

Secretary of State

By Andrea M. Iuracese

SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS * 1636 *

Filing Fee $50.00

ID Number: 18454

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State Matthew A. Brown
Corporations Division
100 North Main Street
Providence, Rhode Island 02903-1335

BUSINESS CORPORATION

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION

(To Be Filed In Duplicate Original)

Pursuant to the provisions of Section 7-1.1-56 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is **Picerne Investment Corporation**

2. The shareholders of the corporation (or, where no shares have been issued, the board of directors of the corporation) on **September 23, 2004**, in the manner prescribed by Chapter 7-1.1 of the General Laws, 1956, as amended, adopted the following amendment(s) to the Articles of Incorporation:

[Insert Amendment(s)]

(If additional space is required, please list on separate attachment)

The corporation, Picerne Investment Corporation, shall be a close corporation pursuant to Section 7-1.1-51 of the Rhode Island General Laws, 1956, as amended

RECEIVED SECRETARY OF STATE CORPORATIONS DIV. SEP 23 12 52 PM '04

3. The number of shares of the corporation outstanding at the time of such adoption was **8,465**; and the number of shares entitled to vote thereon was **15**.

4. The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows: (If inapplicable, insert "none.")

Class	Number of Shares
Class A Common	**15**

FILED
SEP 23 2004
By 45426

Form No. 101
Revised: 07/03

5. The number of shares voted for such amendment was **15** ; and the number of shares voted against such amendment was **-0-** .

6. The number of shares of each class entitled to vote thereon as a class voted for and against such amendment, respectively, was: (If inapplicable, insert "none.")

Class	Number of Shares Voted For	Against
Class A Common	**15**	**-0-**

7. The manner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the amendment shall be effected, is as follows: (If no change, so state)

no change

8. The manner in which such amendment effects a change in the amount of stated capital, and the amount (expressed in dollars) of stated capital as changed by such amendment, are as follows: (If no change, so state)

no change

9. As required by Section 7-1.1-57 of the General Laws, the corporation has paid all fees and franchise taxes.

10. Date when amendment is to become effective **upon filing**
(not prior to, nor more than 30 days after, the filing of these articles of amendment)

Date: SEPTEMBER 20, 2004

Picerne Investment Corporation
Print Corporate Name

By _____
☒ President or ☐ Vice President (check one)

AND

By _____
☒ Secretary or ☐ Assistant Secretary (check one)

STATE OF **RHODE ISLAND**
COUNTY OF Kent

In Kent County, on this 20th day of **September**, **2004** personally appeared before me **David R. Picerne** who, being by me first duly sworn, declared that he/she is the **President** of the corporation and that he/she signed the foregoing document as such officer of the corporation, and that the statements herein contained are true.

_____
Notary Public
My Commission Expires: September 16, 2008

Filing Fee: $50.00

ID Number: ~~18454~~

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
100 North Main Street
Providence, Rhode Island 02903-1335

FICTITIOUS BUSINESS NAME STATEMENT

(To Be Filed In Duplicate)

Pursuant to the provisions of Section 7-1.1-7.1, 7-16-9 or 7-13-2 of the General Laws, 1956, as amended, the undersigned business corporation, limited liability company or limited partnership hereby submits the following statement for authority to transact business in the state of Rhode Island under a fictitious business name:

1. The legal name of the applicant business corporation, limited liability company or limited partnership is:
   Picerne Investment Corporation

2. The fictitious business name to be used is Pilgrim Land Developers, Inc.

3. The state or territory under the laws of which it is incorporated, organized or formed is Rhode Island

4. The date of incorporation, organization or formation is April 20, 1951

5. If a business corporation, the address of its registered office within Rhode Island is
   1500 Fleet Center Providence, RI 02903

6. If a business corporation, the business in which it is engaged
   Real estate investment and management

7. Applicant is otherwise authorized to do business in the state of Rhode Island.

Under penalty of perjury, I declare that the information contained herein is true and correct.

Date: 12-20-99

Picerne Investment Corporation
Name of Applicant Corporation, Limited Liability Company or Limited Partnership

By William D. Monica, Controller
Signature of Officer for the Corporation — Title

or

By _____
Signature of Authorized Person for the Limited Liability Company

or

By _____
Signature of Authorized Person for the Limited Partnership

DEC 21 1999
Cert #3
By 25730

Form No 624
Revised 01/99

Filing Fee $30.00

18454

State of Rhode Island and Providence Plantations

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

PICERNE INVESTMENT CORPORATION

Pursuant to the provisions of Section 7-1.1-56 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is PICERNE INVESTMENT CORPORATION

SECOND: The shareholders of the corporation on August 15, 1988, in the manner prescribed by Chapter 7-1.1 of the General Laws, 1956, as amended, adopted the following amendment(s) to the Articles of Incorporation:

[Insert Amendment(s)]

A. Article FIRST shall be deleted and Article SECOND redesignated as Article FIRST.

B. The following new Article SECOND shall be added:

"SECOND: The period of its duration is perpetual."

C. Articles FOURTH, FIFTH, SIXTH and SEVENTH shall be deleted and a new Article FOURTH added as set forth in Attachment A hereto.

D. A new Article FIFTH shall be added as follows:

"FIFTH: Existing provisions limiting or denying to shareholders the preemptive right to acquire additional or treasury shares of the corporation are: The shareholders of the corporation shall not have any preemptive right to acquire unissued or treasury shares or securities convertible into shares or carrying a right to subscribe to or acquire shares."

E. A new Article SIXTH shall be added as follows:

"SIXTH: Action by shareholders of the corporation without a meeting may be taken upon the written consent of less than all the shareholders entitled to vote thereon, in accordance with Section 7-1.1-30.3(2) of the Rhode Island Business Corporation Act."

THIRD: The number of shares of the corporation outstanding at the time of such adoption was 8,465; and the number of shares entitled to vote thereon was 4,515

FOURTH: The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows: (if inapplicable, insert "none")

Class	Number of Shares
Class A Common	15
Class B Common	4,500

FIFTH: The number of shares voted for such amendment was 4,515; and the number of shares voted against such amendment was 0.

SIXTH: The number of shares of each class entitled to vote thereon as a class voted for and against such amendment, respectively, was: (if inapplicable, insert "none")

	Number of Shares Voted	
Class	For	Against
Class A Common	15	0
Class B Common	4,500	0

The action of the shareholders referred to above was taken in accordance with the provisions of Section 7-1.1-30.3 of the Rhode Island Business Corporation Act without a meeting pursuant to the written consent of the holders of all the Class A Common Stock and Class B Common Stock.

SEVENTH: The manner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the amendment shall be effected, is as follows: (If no change, so state)

No change.

EIGHTH: The manner in which such amendment effects a change in the amount of stated capital, and the amount of stated capital as changed by such amendment, are as follows: (If no change, so state)

No change.

Dated Oct 18, 1988.

PICERNE INVESTMENT CORPORATION

By Donald Picerne
Its President

and Gloria M. Racca
Its Secretary

ATTACHMENT A

FOURTH: The aggregate number of shares which the Corporation has authority to issue is:

Four Thousand (4,000) shares of preferred stock with par value of One Thousand Dollars ($1,000) each, designated as "Preferred Series A";

One Thousand (1,000) shares of common stock without par value, designated as "Class A Common"; and

Five Thousand (5,000) shares of common stock with par value of One Dollar ($1.00) each, designated as "Class B Common".

The voting powers, designations, preferences and relative participating rights of the classes of stock of the Corporation are as follows:

Section 1. Provisions relating to Preferred Series A Stock

The following provisions shall apply to the Preferred Series A stock.

1.1. Dividend Rate

(a) Holders of the Preferred Series A shares shall be entitled to receive, as and when declared by the Board of Directors out of funds legally available for the payment of dividends, preferential dividends at the rate of ten percent (10%) per annum, and no more, payable in cash quarterly on the fifteenth day of March, June, September and December of each year (each such date

being hereafter referred to as a "dividend date"), before any dividends shall be paid on any other stock of the Corporation.

(b) Prior to the Conversion Date (as defined in Section 3.1 hereof), dividends on the Preferred Series A shares shall be non-cumulative.

(c) From and after the Conversion Date, dividends on the Preferred Series A shares shall be cumulative but any accumulations of dividends on the Preferred Series A shares shall not bear interest. Unless all cumulative dividends on all Preferred Series A shares for all prior quarterly dividend periods ending on or after the Conversion Date have been either paid in full or declared and an amount sufficient for the payment thereof in full has been deposited in a special account with a bank or trust company doing business in the City of Providence, State of Rhode Island in trust for the benefit of the holders of Preferred Series A shares:

(i) no dividends or other distributions shall be paid or declared and set aside for payment to the holders of the Class A Common or Class B Common shares of the Corporation (hereinafter collectively referred to as the "Common Stock") or on shares of any class or series ranking junior to the Preferred Series A shares (hereinafter referred to as the "Junior Stock"); and

(ii) no shares of Common Stock or Junior Stock shall be purchased or redeemed by the Corporation or any of its subsidiaries;

provided, however, that the foregoing prohibitions shall not prevent the Corporation from declaring a stock dividend of Common Stock on such Common Stock or a stock dividend of any class or series of Junior Stock on such class or series of Junior Stock.

(d) Of the ten percent (10%) cumulative preferential dividends which holders of the Preferred Series A shares shall be entitled to receive from and after the Conversion Date, dividends at the rate of four percent (4%) per annum shall be mandatory, in that such dividends at the rate of four percent (4%) per annum shall be declared by the Board of Directors and shall be paid by the Corporation to the extent funds are legally available therefor.

1.2. Voting

Except as otherwise specifically required by law, the Preferred Series A shares shall have no voting power whatsoever.

1.3. Optional Redemption

(a) The Corporation by resolution of the Board of Directors may from time to time on any dividend date after April 1, 1998, redeem all, but not less than all, Preferred Series A shares of any holder of Preferred Series A shares who is not also a holder of Class A Common shares at the Special Preferred Redemption Price (as defined in Section 3.2 hereof) for each Preferred Series A share so redeemed.

(b) If at any time less than all of the outstanding Preferred Series A shares shall be called for redemption, the shares to be redeemed shall be selected in such manner as the

Board of Directors shall determine, provided that the Board of Directors shall not call for redemption (i) Preferred Series A shares of any holder of record of Class A Common shares, or (ii) less than all Preferred Series A shares held by any shareholder. Not less than forty-five (45) days prior to the date fixed for redemption of any Preferred Series A shares, notice specifying the time and place thereof shall be sent by mail, postage prepaid, to the holders of record of the Preferred Series A shares selected for redemption at their respective addresses appearing on the stock records of the Corporation. On and after the redemption date specified in any such notice, each holder of Preferred Series A shares called for redemption shall be entitled to receive the Special Preferred Redemption Price thereof through the redemption date, upon presentation and surrender at the place designated in such notice of the certificate or certificates for such Preferred Series A shares held by him, duly endorsed to the Corporation or in blank for transfer with all required stock transfer stamps affixed thereto and cancelled.

(c) From and after the redemption date specified in any such notice (unless the Corporation shall fail to deposit the funds for the payment of the Special Preferred Redemption Price as hereinafter provided), (i) all dividends on Preferred Series A shares called for redemption shall cease to accrue, (ii) all rights of the holders of Preferred Series A shares called for redemption, except only the right to receive the Special Preferred Redemption Price of such shares on or after such redemption date,

shall cease and terminate and (iii) such shares shall no longer be deemed to be outstanding.

(d) Prior to the redemption date specified in any such notice, the Corporation shall deposit the funds necessary for the payment of the Special Preferred Redemption Price due all of the holders of Preferred Series A shares to be redeemed in a special account with a bank or trust company doing business in the City of Providence, State of Rhode Island. Interest earned on funds so deposited shall, from time to time, be paid to the Corporation. In the event that any holder of Preferred Series A shares called for redemption shall not claim the amounts deposited for the redemption thereof within six (6) years after the redemption date specified in the notice of redemption sent to any such holder, any bank or trust company then holding such redemption funds shall, upon demand by the Corporation, pay over to the Corporation such unclaimed amounts and all interest earned thereon, whereupon such bank or trust company shall be relieved of all responsibility in respect thereof to any such holder.

(e) Nothing herein contained, with respect to the right of the Corporation, at its option, to redeem the Preferred Series A shares, shall be construed as preventing the Corporation from purchasing or acquiring, to the extent permitted by law and otherwise than by redemption thereof, Preferred Series A shares.

1.4. Mandatory Redemption

(a) On the death of Ronald R.S. Picerne, the Corporation shall redeem, to the extent funds are legally available therefor,

all of the then outstanding Preferred Series A shares at the Special Preferred Redemption Price, which shall be payable together with interest at the rate of eight percent (8%) per annum, in twenty (20) equal semi-annual installments commencing six (6) months after the date of death of the said Ronald R.S. Picerne, provided, however, that the Board of Directors of the Corporation may, by resolution, accelerate the payment of such Special Preferred Redemption Price.

1.5. Rights on Liquidation, Dissolution or Winding Up

In the event of the liquidation, dissolution or winding up of the Corporation, after payment or provisions for payment of the debts and other liabilities of the Corporation, the holders of Preferred Series A shares then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders an amount in cash equal to $1,000 per share, whether such liquidation, dissolution or winding up is involuntary or voluntary, plus an amount in cash equal to all dividends thereon declared prior to the Conversion Date but unpaid and all dividends thereon accrued and unpaid on or after the Conversion Date (whether or not declared) through the date of payment in full, before any payment or liquidating distribution shall be made to the holders of shares of Common Stock. After such payment shall have been made in full to the holders of the Preferred Series A shares then outstanding, or sufficient funds for such payment have been deposited in a special account in trust for the benefit of the holders of the Preferred Series A

shares then outstanding, so as to be and continue to be available therefor, the holders of the Preferred Series A shares shall not be entitled to any further participation in such distribution of the assets of the Corporation.

1.6. Conversion Right. At any time prior to the date of the death of Ronald R.S. Picerne, Preferred Series A shares shall, at the option of the holder(s) of record thereof, be convertible into validly issued, fully paid and non-assessable whole shares of Class A Common stock of the Corporation of equivalent fair market value to the par value, plus all accumulated and unpaid dividends, of the Preferred Series A shares surrendered for conversion.

Section 2. Provisions relating to Common Stock

Except as hereinafter set forth, Class A Common stock and Class B Common stock shall be identical in all respects and shall participate equally in any dividend, liquidation or redemption. The distinguishing characteristics of the Class A Common stock and the Class B common stock (collectively, "Common Stock") are as follows:

2.1. Dividends

The Common Stock shall be subject to the prior rights of the holders of Preferred Series A shares as herein declared, and shall be entitled to such dividends as the Board of Directors may declare from funds legally available therefor remaining after full dividends for any fiscal year on the Preferred Series A shall have been paid or declared and set apart for payment. Each

holder of a share of Class B Common Stock shall be entitled to receive dividends in cash, property or stock in amounts per share equal to, and at the same times as, any dividends paid on each share of Class A Common stock.

2.2. Voting

Except as otherwise specifically required by law, voting power shall be vested exclusively in the Class A Common shares and each share of Class A Common shall be entitled to one (1) vote on each matter submitted to a vote at any meeting of shareholders and Class B Common shall have no voting power whatsoever.

2.3. Dissolution, Liquidation or Winding Up

In the event of the liquidation, dissolution or winding up of the Corporation, after payment or provisions for payment of the debts and other liabilities of the Corporation, and the payment or provision for payment in full to the holders of Preferred Series A shares then outstanding of all preferential amounts to which they shall be entitled, each share of Class A Common stock and each share of Class B Common stock shall, without distinction as to the class of stock held, entitle the holders thereof to an equal share of the assets of the Corporation available for distribution to the holders of Common Stock.

Section 3. Definitions

As used in this Article FOURTH, the following terms shall have the meanings, respectively hereinafter stated:

3.1. "Conversion Date" shall mean the date of death of Ronald R.S. Picerne or April 1, 1998, whichever first occurs.

3.2. "Special Preferred Redemption Price" shall mean an amount equal to the sum of the par value of a preferred share plus (i) all dividends declared thereon prior to the Conversion Date but unpaid through the redemption date and (ii) all dividends thereon accrued and unpaid on or after the Conversion Date (whether or not declared) through the redemption date.

STATE OF RHODE ISLAND
COUNTY OF Providence } Sc.

At Glen National Bank in said county on this 18th day of October, 1988, personally appeared before me Ronald R.S. Picerne, who, being by me first duly sworn, declared that he is the President of PICERNE INVESTMENT CORPORATION,

that he signed the foregoing document as President of the corporation, and that the statements therein contained are true.

Sandra J. Smith
Notary Public

(NOTARIAL SEAL)

My Commission Expires
June 30 1991

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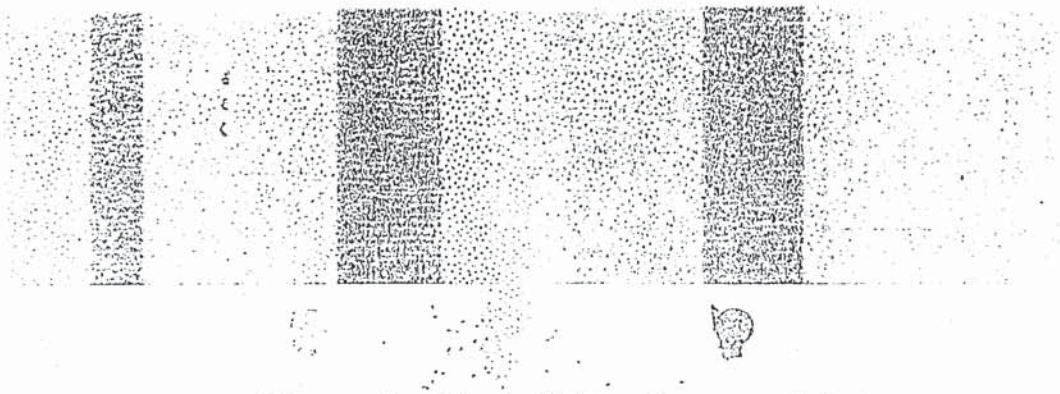
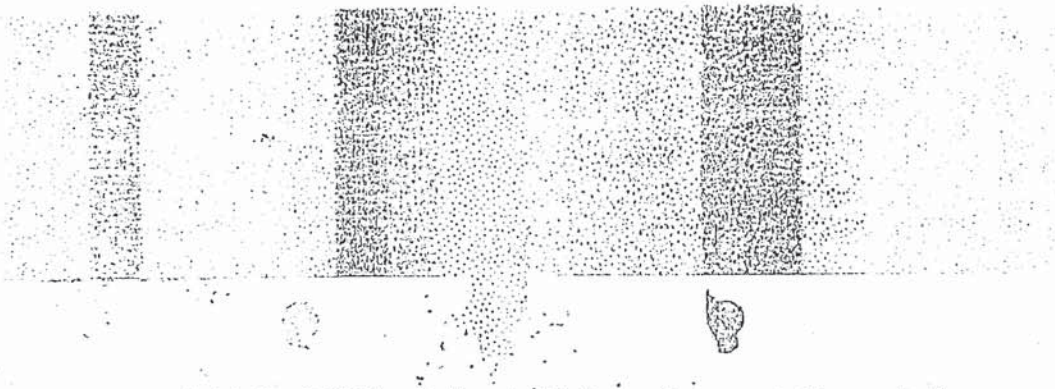


annum, payable as the Board of Directors may determine, before any dividends shall be set apart for or paid upon the common stock. Dividends on the preferred stock shall not be cumulative.

(d) The preferred stock may be redeemed in whole or in part at any time by resolution of the Board of Directors upon not less than thirty (30) days prior written notice to the holders of record of the preferred stock given in such manner and form and on such terms and conditions as may be prescribed by the Board of Directors and by payment in cash for each share of the preferred stock to be redeemed one hundred ten percent (110%) of the par value thereof plus all unpaid dividends, if any.

(e) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or any reduction in its capital resulting in any distribution of assets to its shareholders, the holders of the preferred stock shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings, available for distribution to its shareholders, before any amount shall be paid to the holders of the common stock or of the stock of any other class ranking junior to the preferred stock, the par value thereof plus all unpaid dividends, if any, and after such payment to the holders of the preferred stock, all remaining assets, funds and properties of the Corporation shall be paid to the holders of the common stock and of the stock of any other class ranking junior to the preferred stock. The purchase or redemption by the Corporation of stock of any class, in any manner permitted by law, shall not for the purpose of this paragraph (e) be regarded as a liquidation, dissolution or winding up of the Corporation or as a reduction of its capital. Neither the consolidation nor the merger of the Corporation with or into any other corporation or corporations, nor the sale or transfer by the Corporation of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Corporation for the purposes of this paragraph (e). A dividend or distribution to shareholders from net profits or surplus earned after the date of any reduction of capital shall not be deemed to be a distribution resulting from such reduction in capital. No holder of preferred stock shall be entitled to receive any amounts with respect thereto upon any liquidation,



Article FIFTH of the Articles of Association of the Corporation filed with the Secretary of State of Rhode Island on April 20, 1951, as amended on February 4, 1955 and March 31, 1978, shall be amended to read as follows:

"FIFTH. The aggregate number of shares which the Corporation shall have authority to issue is:

One Thousand (1,000) shares of common stock without par value, designated as "Class A Common";

Five Thousand (5,000) shares of common stock with par value of One Dollar ($1.00) each, designated as "Class B Common";

Five Thousand (5,000) shares of preferred stock with par value of One Hundred Dollars ($100) each.

The voting powers, designations, preferences and relative participating rights of the classes of stock of the Corporation are as follows:

(a) Voting power shall be vested exclusively in the Class A Common shares and each share of Class A Common shall be entitled to one (1) vote on each matter submitted to vote at any meeting of shareholders. The holders of Class B Common and preferred stock shall not be entitled to vote on any matter submitted to vote at any meeting of shareholders and shall not have any voice in the management of the Corporation.

(b) The shares of Class A Common and Class B Common shall be identical in all respects and shall participate equally in any dividend, liquidation or redemption, except that Class B Common shares (i) shall have no voting power whatsoever and (ii) shall have a par value of One Dollar ($1.00) per share.

(c) The holders of preferred stock are entitled to receive, when and as declared, out of the unreserved and unrestricted earned surplus of the Corporation dividends at the rate of six percent (6%) per

Filing Fee $30.00

State of Rhode Island and Providence Plantations

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF

PICERNE INVESTMENT CORPORATION V

Pursuant to the provisions of Section 7-1.1-56 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

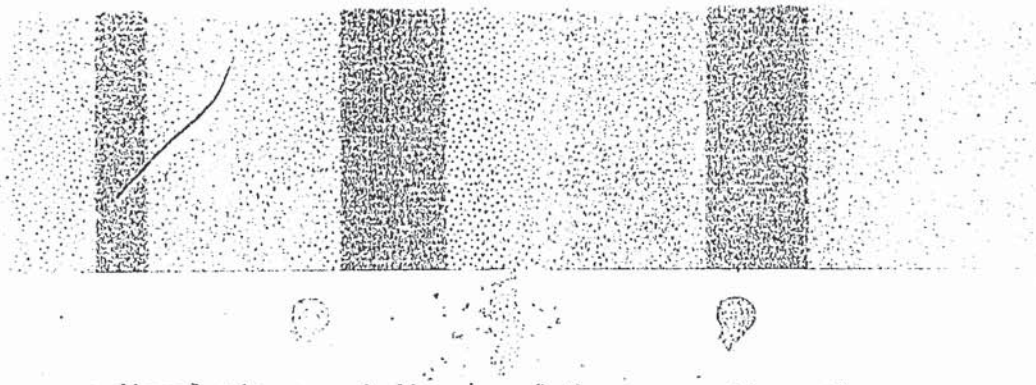
FIRST: The name of the corporation is PICERNE INVESTMENT CORPORATION

SECOND: The shareholders of the corporation on December, 1981, in the manner prescribed by Chapter 7-1.1 of the General Laws, 1956, as amended, adopted the following amendment(s) to the Articles of Incorporation:

[Insert Amendment(s)]

See EXHIBIT I

FORM 12A 5M 8-73



dissolution or winding up of the corporation other than the amounts provided for in this paragraph (e).

(f) No holder of preferred stock of the Corporation shall be entitled, as of right, to purchase or subscribe for any part of the unissued stock of the Corporation or of any stock of the Corporation to be issued by reason of any increase of the authorized capital stock of the Corporation, or to purchase or subscribe for any bonds, certificates of indebtedness, debentures or other securities convertible into or carrying options or warrants to purchase stock or other securities of the Corporation or to purchase or subscribe for any stock of the Corporation purchased by the Corporation or by its nominee or nominees, or to have any other preemptive rights now or hereafter defined by the laws of the State of Rhode Island."

THIRD: The number of shares of the corporation outstanding at the time of such adoption was 4,515; and the number of shares entitled to vote thereon was 4,515

FOURTH: The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows: (If inapplicable, insert "none")

Class	Number of Shares
Class A Common	15
Class B Common	4,500

FIFTH: The number of shares voted for such amendment was 4,515; and the number of shares voted against such amendment was - 0 -.

SIXTH: The number of shares of each class entitled to vote thereon as a class voted for and against such amendment, respectively, was: (if inapplicable, insert "none")

Class	Number of Shares Voted	
	For	Against
Class B Common	4,500	- 0 -

SEVENTH: The manner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the amendment shall be effected, is as follows: (If no change, so state)

No change

EIGHTH: The manner in which such amendment effects a change in the amount of stated capital, and the amount of stated capital as changed by such amendment, are as follows: (If no change, so state)

No change

Dated December 30, 1981.

PICERNE INVESTMENT CORPORATION

By Ronald P. Picerne
Its President

and Gloria M. Kasse
Its Secretary

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE } Sc.

At Cranston in said county on this 30th day of December, 1981, personally appeared before me Ronald R.S. Picerne, who, being by me first duly sworn, declared that he is the President of PICERNE INVESTMENT CORPORATION

that he signed the foregoing document as such President of the corporation, and that the statements therein contained are true.

Notary Public

(NOTARIAL SEAL)

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Filing fee: $20.00

State of Rhode Island and Providence Plantations

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF

PICERNE INVESTMENT CORPORATION

Pursuant to the provisions of Section 7-1.1-56 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is PICERNE INVESTMENT CORPORATION

SECOND: The shareholders of the corporation on December 29, 1978, in the manner prescribed by Chapter 7-1.1 of the General Laws, 1956, as amended, adopted the following amendment(s) to the Articles of Incorporation:

[Insert Amendment(s)]

Article FIFTH of the Articles of Association of the Corporation filed with the Secretary of State of Rhode Island on April 20, 1951, as amended on February 4, 1955, March 31, 1978 and December 29, 1978, shall be amended to read as follows:

"FIFTH. The aggregate number of shares which the Corporation shall have authority to issue is:

Four Thousand (4,000) shares of preferred stock with par value of One Thousand Dollars ($1,000) each, designated as "Preferred Series A";

Fifteen Thousand (15,000) shares of preferred stock with par value of One Thousand Dollars ($1,000) each designated as "Preferred Series B";

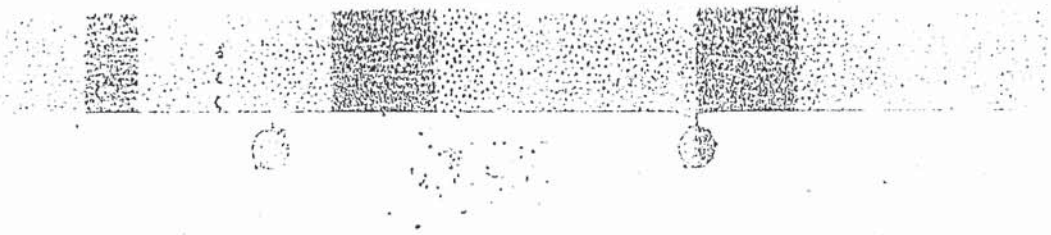
One Thousand (1,000) shares of common stock without par value, designated as "Class A Common"; and

Five Thousand (5,000) shares of common stock with par value of One Dollar ($1.00) each, designated as "Class B Common".

The voting powers, designations, preferences and relative participating rights of the classes of stock of the Corporation are as follows:

Section 1. Provisions relating to Preferred Series A Stock

The following provisions shall apply to the Preferred Series A stock.

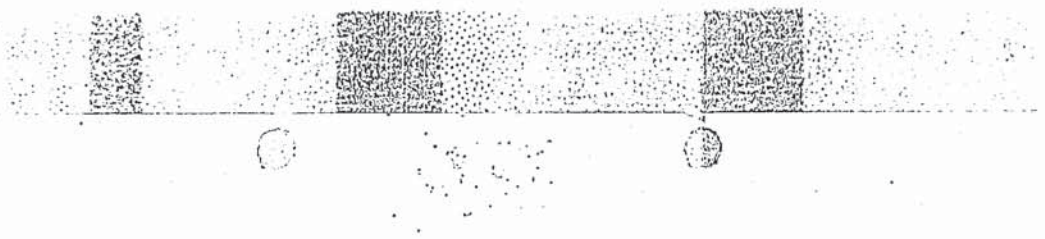


1.1. Dividend Rate

(a) Holders of the Preferred Series A shares shall be entitled to receive, as and when declared by the Board of Directors out of funds legally available for the payment of dividends, preferential dividends at the rate of ten percent (10%) per annum, and no more, payable in cash quarterly on the fifteenth day of March, June, September and December of each year (each such date being hereafter referred to as a "dividend date"), before any dividends shall be paid on any other stock of the Corporation.

(b) Prior to the Conversion Date, dividends on the Preferred Series A shares shall be non-cumulative.

(c) From and after the Conversion Date, dividends on the Preferred Series A Preferred shares shall be cumulative but any accumulations of dividends on the Preferred Series A shares shall not bear interest. Unless all cumulative dividends on all Preferred Series A shares for all prior quarterly dividend periods ending on or after the Conversion Date have been either paid in full or declared and an amount sufficient for the payment thereof in full has been deposited in a special account with a bank or trust company doing business in the City of Providence, State of Rhode Island in trust for the benefit of the holders of Preferred Series A shares:



(i) no dividends or other distributions shall be paid or declared and set aside for payment to the holders of the Class A Common or Class B Common shares of the Corporation (hereinafter collectively referred to as the "Common Stock") or of the Preferred Series B shares or on shares of any class or series ranking junior to the Preferred Series A shares (hereinafter referred to as the "Junior Stock"); and

(ii) no shares of Common Stock or Junior Stock shall be purchased or redeemed by the Corporation or any of its subsidiaries;

provided, however, that the foregoing prohibitions shall not prevent the Corporation from declaring a stock dividend of Common Stock on such Common Stock or of any class or series of Junior Stock on such class or series of Junior Stock.

(d) Of the ten percent (10%) cumulative preferential dividends which holders of the Preferred Series A shares shall be entitled to receive from and after the Conversion Date, dividends at the rate of four percent (4%) per annum shall be mandatory, in that such dividends at the rate of four percent (4%) per annum shall be declared by the Board of Directors and shall be paid by the Corporation to the extent funds are legally available therefor.

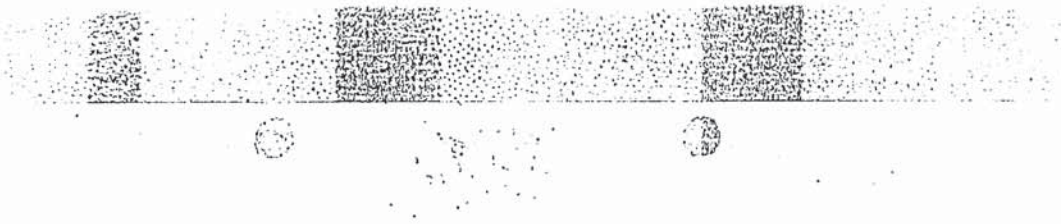
1.2. Voting

Except as otherwise specifically required by law, the Preferred Series A shares shall have no voting power whatsoever.

1.3. Optional Redemption

(a) The Corporation by resolution of the Board of Directors may from time to time on any dividend date after April 1, 1998, redeem all, but not less than all, Preferred Series A shares of any holder of Preferred Series A shares who is not also a holder of Class A Common shares at the Special Preferred Redemption Price (as defined in Section 4.2 hereof) for each Preferred Series A share so redeemed.

(b) If at any time less than all of the outstanding Preferred Series A shares shall be called for redemption, the shares to be redeemed shall be selected in such manner as the Board of Directors shall determine, provided that the Board of Directors shall not call for redemption (i) Preferred Series A shares of any holder of record of Class A Common shares, or (ii) less than all Preferred Series A shares held by any shareholder. Not less than forty-five (45) days prior to the date fixed for redemption of any Preferred Series shares, notice specifying the time and place thereof shall be sent by mail, postage prepaid, to the holders of record of the Preferred Series A shares selected for redemption



at their respective addresses appearing on the stock records of the Corporation. On and after the redemption date specified in any such notice, each holder of Preferred Series A shares called for redemption shall be entitled to receive the Special Preferred Redemption Price thereof through the redemption date, upon presentation and surrender at the place designated in such notice of the certificate or certificates for such Preferred Series A shares held by him, duly endorsed to the Corporation or in blank for transfer with all required stock transfer stamps affixed thereto and cancelled.

(c) From and after the redemption date specified in any such notice (unless the Corporation shall fail to deposit the funds for the payment of the Special Preferred Redemption Price as hereinafter provided), (i) all dividends on Preferred Series A shares called for redemption shall cease to accrue, (ii) all rights of the holders of Preferred Series A shares called for redemption, except only the right to receive the Special Preferred Redemption Price of such shares on or after such redemption date, shall cease and terminate and (iii) such shares shall no longer be deemed to be outstanding.

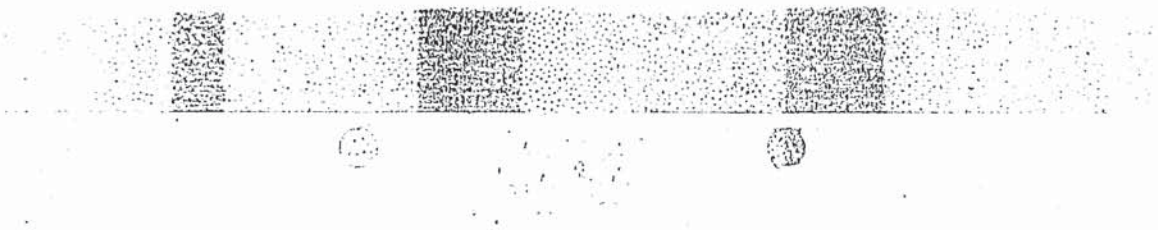
(d) Prior to the redemption date specified in any such notice, the Corporation shall deposit the funds neces-

sary for the payment of the Special Preferred Redemption Price due all of the holders of Preferred Series A shares to be redeemed in a special account with a bank or trust company doing business in the City of Providence, State of Rhode Island. Interest earned on funds so deposited shall, from time to time, be paid to the Corporation. In the event that any holder of Preferred Series A shares called for redemption shall not claim the amounts deposited for the redemption thereof within six (6) years after the redemption date specified in the notice of redemption sent to any such holder, any bank or trust company then holding such redemption funds shall, upon demand by the Corporation, pay over to the Corporation such unclaimed amounts and all interest earned thereon, whereupon such bank or trust company shall be relieved of all responsibility in respect thereof to any such holder.

(e) Nothing herein contained, with respect to the right of the Corporation, at its option, to redeem the Preferred Series A shares, shall be construed as preventing the Corporation from purchasing or acquiring, to the extent permitted by law and otherwise than by redemption thereof, Preferred Series A shares.

1.4. Mandatory Redemption.

(a) On the death of Ronald R. S. Picerne, the



Corporation shall redeem, to the extent funds are legally available therefor, all of the then outstanding Preferred Series A shares at the Special Preferred Redemption Price, which shall be payable together with interest at the rate of eight percent (8%) per annum, in twenty (20) equal semi-annual installments commencing six (6) months after the date of death of the said Ronald R. S. Picerne, provided, however, that the Board of Directors of the Corporation may, by resolution, accelerate the payment of such Special Preferred Redemption Price.

1.5. Rights on Liquidation, Dissolution, Winding Up.

In the event of the liquidation, dissolution or wind up of the Corporation, after payment or provisions for payment of the debts and other liabilities of the Corporation, the holders of Preferred Series A shares then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders an amount in cash equal to $1,000. per share, whether such liquidation, dissolution or winding up is involuntary or voluntary, plus an amount in cash equal to all dividends thereon declared prior to the Conversion Date but unpaid and all dividends thereon accrued and unpaid on or after the Conversion Date (whether or not declared) through the date of payment in full, before any payment or liquidating dis-

tribution shall be made to the holders of shares of Preferred Series B or Common Stock. After such payment shall have been made in full to the holders of the Preferred Series A shares then outstanding, or sufficient funds for such payment have been deposited in a special account in trust for the benefit of the holders of the Preferred Series A shares then outstanding, so as to be and continue to be available therefor, the holders of the Preferred Series A shares not shall be entitled to any further participation in such distribution of the assets of the Corporation.

1.6. No Preemptive Right.

The holders of Preferred Series A shares shall not have any preemptive right (i) to subscribe for or to acquire any unissued or treasury shares of any class of stock of the Corporation or (ii) to subscribe for or acquire any bonds, certificates of indebtedness, debentures or other securities convertible into, or carrying options or warrants to purchase or acquire, any stock or other securities of the Corporation.

1.7. At any time prior to the date of the death of Ronald R. S. Picerne, Preferred Series A shares shall, at the option of the holder(s) of record thereof, be convertible into validly issued, fully paid and non-assessable whole shares of Class A Common stock of the Corporation of equivalent fair market value to the par value, plus all

accumulated and unpaid dividends, of the Preferred Series A shares surrendered for conversion.

Section 2. Provisions relating to Common Stock.

Except as hereinafter set forth, Class A Common stock and Class B Common stock shall be identical in all respects and shall participate equally in any dividend, liquidation or redemption. The distinguishing characteristics of the Class A Common stock and the Class B Common stock are as follows:

2.1. Dividends.

The Common Stock shall be subject to the prior rights of the holders of Preferred Series A and Preferred Series B stock as herein declared, and shall be entitled to such dividends as the Board of Directors may declare from funds legally available therefor remaining after full dividends for any fiscal year on the Preferred Series A and Preferred Series B stock shall have been paid or declared and set apart for payment. Each holder of a share of Class B Common stock shall be entitled to receive dividends in cash, property or stock in amounts per share equal to, and at the same times as, any dividends paid on each share of Class A Common stock.

2.2. Voting.

Except as otherwise specifically required by law

and in Section 3.2 hereof, voting power shall be vested exclusively in the Class A Common shares and each share of Class A Common shall be entitled to one (1) vote on each matter submitted to vote at any meeting of shareholder and Class B Common shall have no voting power whatsoever.

2.3. Dissolution, Liquidation and Winding Up.

In the event of liquidation, dissolution or winding up of the Corporation, after payment or provisions for payment of the debts and other liabilities of the Corporation, and the payment or provision for payment in full to the holders of Preferred Series A and Preferred Series B shares then outstanding of all preferential amounts to which they shall be entitled, each share of Class A Common stock and each share of Class B Common stock shall, without distinction as to the class of stock held, entitle the holders thereof to an equal share of the assets of the Corporation available for distribution to the holders of Common Stock.

2.4. Conversion of Class B Common into Special Preferred.

(a) On the Conversion Date, each share of Class B Common stock which shall be outstanding immediately prior thereto shall, without any action on behalf of the holder thereof, be converted into shares of Preferred Series B stock on the following basis: The quotient obtained by

dividing the Per Share Conversion Value (as hereinafter defined) of the Class B Common stock as hereafter determined by $1,000. shall represent the number of whole and/or fractional shares of Preferred Series B stock into which each share of Class B Common stock shall be converted.

(b) For purposes of the foregoing provision, the "Per Share Conversion Value" of the Class B Common stock shall be the per share book value of the Class B Common stock determined by allocating to the Class B Common Stock an amount equal to ninety percent (90%) of the total shareholders' equity in the Corporation (determined as hereinafter provided) after provision has been made for payment to the holders of the outstanding Preferred Series A shares of the full preferential amounts to which they are entitled upon the liquidation or dissolution of the Corporation. The total shareholder's equity in the Corporation shall be determined under generally accepted accounting principles by the Corporation's independent public accountants based upon the Corporation's most recent audited financial statements, provided that the following modifications and adjustments shall be made:

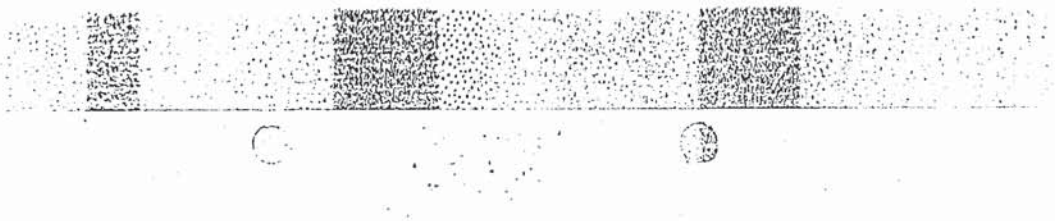
(i) No value shall be assigned to goodwill, tradenames or other intangible assets, except as those assets have been reflected on the Corporation's most recent audited financial statement;

(ii) All real estate shall be reflected at its appraised value on the Conversion Date, as determined by an independent, qualified member of the American Institute of Real Estate Appraisers (MAI), selected for that purpose by the Corporation;

(iii) Readily marketable securities owned by the Corporation shall be taken into account at their fair market value on the Conversion Date;

(iv) Any interest in a general or limited partnership owned by the Corporation shall be taken into account for this purpose at book value of such interest as reflected on such general or limited partnership's most recent financial statement, and in determining such partnership's book value for this purpose, the modifications and adjustments contained in this Section 2.4(b) shall apply; and

(v) If the Corporation owns, on the Conversion Date, stock possessing more than 50 percent of the voting power in another corporation, such stock shall be taken into account for this purpose at its book value pursuant to such other corporation's most recent audited financial statement, and in determining such other corporation's book value for this purpose, the modifications and adjustments contained in this Section 2.4(b) shall apply.



(c) From and after the Conversion Date, each holder of an outstanding certificate or certificates which prior thereto represented shares of validly issued and outstanding Class B Common stock, upon surrender of the same to the Corporation, shall be entitled to receive in exchange therefor a certificate or certificates representing the number of whole and fractional shares of Preferred Series B stock into which the shares of Class B Common stock theretofore represented by the certificate or certificates so surrendered shall have been converted as aforesaid. Until so surrendered, each such outstanding certificate which, prior to the Conversion Date, represented shares of validly issued and outstanding Class B Common stock shall be deemed for all corporate purposes to evidence the ownership of the number of whole and fractional share of Preferred Series B stock into which such shares have been so converted pursuant to subparagraph (a) of this Section 2.4.

Section 3. Provisions relating to Preferred Series B Stock

The following provisions shall apply to the Preferred Series B stock.

3.1. Dividend Rate

(a) Holders of the Preferred Series B shares shall be entitled to receive, as and when declared by the Board of Directors out of funds legally available for the

payment of dividends, dividends at an annual rate equal to the rate payable on United States Treasury bills on the Conversion Date (or on the next business day after the Conversion Date, if the Conversion Date is a Saturday, Sunday or Federal legal holiday) less two percent (2%), and no more, payable in cash quarterly on the fifteenth day of March, June, September and December of each year (each such date being hereafter referred to as a "dividend date"). Once established said dividend rate shall be the dividend rate for Preferred Series B shares for all times thereafter. Dividends on the Preferred Series B shares shall be cumulative,

(c) Unless all cumulative dividends on all Preferred Series B shares for all prior quarterly dividend periods have been either paid in full or declared and an amount sufficient for the payment thereof in full has been deposited in a special account with a bank or trust company doing business in the City of Providence, State of Rhode Island, in trust for the benefit of the holders of Preferred Series B shares:

(i) no dividends or other distributions shall be paid or declared and set aside for payment to the holders of shares of the Common Stock of the Corporation or on shares of any class or series ranking junior to

the Preferred Series B shares (hereinafter referred to as the "Junior Stock"); and

(ii) no shares of Common Stock or Junior Stock or of shall be purchased or redeemed by the Corporation or any of its subsidiaries;

provided, however, that the foregoing prohibitions shall not prevent the Corporation from declaring a stock dividend of Common Stock on such Common Stock or of any class or series of Junior Stock on such class or series of Junior Stock.

(d) Sixty percent (60%) of the preferential cumulative dividends which holders of the Preferred Series B shares shall be entitled to receive shall be mandatory, in that such such portion shall be declared by the Board of Directors and shall be paid by the Corporation to the extent funds are legally available therefor.

3.2. Voting

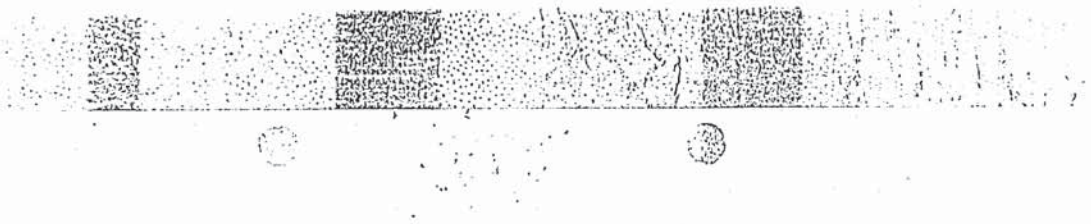
Except as otherwise specifically required by law, the Preferred Series B shares shall have no voting power whatsoever, provided, however, that if at the time of any meeting of Class A Common shareholders for the election of Directors the portion of the dividend due on said Preferred Series B shares pursuant to Section 3.1(d) hereof has not been paid for four (4) quarterly periods, the holders of the Preferred Series B shares, voting separately as a class,

shall have the right to elect one (1) Director of the Corporation to serve until such dividend payment arrearages have been paid in full.

3.3. Optional Redemption

(a) The Corporation by resolution of the Board of Directors may from time to time on any dividend date after April 1, 1998, redeem all, but not less than all, Preferred Series B shares of any holder of Special Preferred shares who is not also a holder of Class A Common shares at the Special Preferred Redemption Price (as defined in Section 4.2 hereof) for each Preferred Series B share so redeemed.

(b) If at any time less than all of the outstanding Preferred Series B shares shall be called for redemption, the shares to be redeemed shall be selected in such manner as the Board of Directors shall determine, provided that the Board of Directors shall not call for redemption (i) Preferred Series B shares of any holder of record of Class A Common shares, or (ii) less than all Preferred Series B shares held by any shareholder. Not less than forty-five (45) days prior to the date fixed for redemption of any Preferred Series B shares, notice specifying the time and place thereof shall be sent by mail, postage prepaid, to the holders of record of the Preferred Series B shares selected for redemption at their respective addresses appearing on the stock



records of the Corporation. On and after the redemption date specified in any such notice, each holder of Preferred Series B shares called for redemption shall be entitled to receive the Preferred Redemption Price thereof through the redemption date, upon presentation and surrender at the place designated in such notice of the certificate or certificates for such Preferred Series B shares held by him, duly endorsed to the Corporation or in blank for transfer with all required stock transfer stamps affixed thereto and cancelled.

(c) From and after the redemption date specified in any such notice (unless the Corporation shall fail to deposit the funds for the payment of the Special Preferred Redemption Price as hereinafter provided), (i) all dividends on Preferred Series B shares called for redemption shall cease to accrue, (ii) all rights of the holders of Special Preferred Series B shares called for redemption, except only the right to receive the Special Preferred Redemption Price of such shares on or after such redemption date, shall cease and terminate and (iii) such shares shall no longer be deemed to be outstanding.

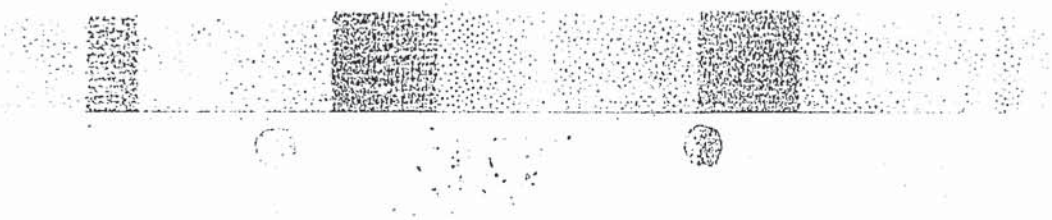
(d) Prior to the redemption date specified in any such notice, the Corporation shall deposit the funds necessary for the payment of the Special Preferred Redemption

Price due all of the holders of Preferred Series B shares to be redeemed in a special account with a bank or trust company doing business in the City of Providence, State of Rhode Island. Interest earned on funds so deposited shall, from time to time, be paid to the Corporation. In the event that any holder of Preferred Series B shares called for redemption shall not claim the amounts deposited for the redemption thereof within six (6) years after the redemption date specified in the notice of redemption sent to any such holder, any bank or trust company then holding such redemption funds shall, upon demand by the Corporation, pay over to the Corporation such unclaimed amounts and all interest earned thereon, whereupon such bank or trust company shall be relieved of all responsibility in respect thereof to any such holder.

(e) Nothing herein contained, with respect to the right of the Corporation, at its option, to redeem the Preferred Series B shares, shall be construed as preventing the Corporation from purchasing or acquiring, to the extent permitted by law and otherwise than by redemption thereof, Preferred Series B shares.

3.4. Mandatory Redemption.

(a) On the third anniversary of the Conversion Date, the Corporation shall redeem, to the extent funds are



legally available, all of the then outstanding Preferred Series B shares, other than the Preferred Series B shares held by a holder of Class A Common shares at the Special Redemption Price, which shall be payable, together with interest at the rate of eight percent (8%) per annum, in twenty (20) equal semi-annual installments.

(b) The Corporation, at the option of the Board of Directors, may distribute real property owned by the Corporation in satisfaction of all or any part of the Special Preferred Redemption Price for any Special Preferred shares redeemed pursuant to this Section 3.4. In such event, the fair market value of such real property shall be determined by a committee of three qualified real estate appraisers, one selected by the Corporation, one selected by the holders of the Preferred Series B shares to be redeemed, and a third selected by the other two appraisers so selected and the determination by a majority of said appraisers shall be binding and conclusive.

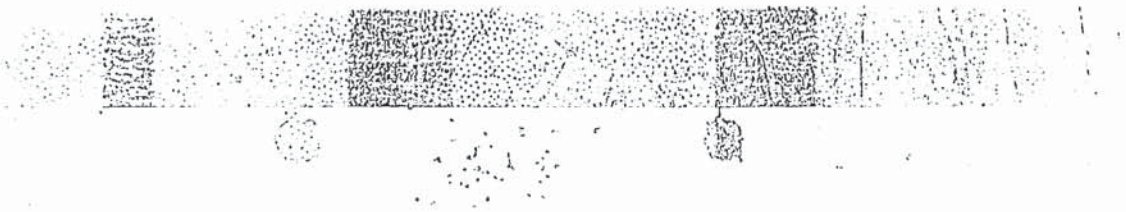
3.5. Rights on Liquidation, Dissolution, Winding Up.

In the event of the liquidation, dissolution or wind up of the Corporation, after payment or provisions for payment of the debts and other liabilities of the Corporation, the holders of Preferred Series B shares then outstanding

shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, after payment of all liquidation distribution due holders of Preferred Series A shares, an amount in cash equal to $1,000. per share, whether such liquidation, dissolution or winding up is involuntary or voluntary, plus an amount in cash equal to all dividends thereon accrued and unpaid on or after the Conversion Date (whether or not declared) through the date of payment in full, before any payment or liquidating distribution shall be made to the holders of shares of Common Stock. After such payment shall have been made in full to the holders of the Preferred Series B shares then outstanding, or sufficient funds for such payment have been deposited in a special account in trust for the benefit of the holders of the Preferred Series B shares then outstanding, so as to be and continue to be available therefor, the holders of the Preferred Series B shares shall not be entitled to any further participation in such distribution of the assets of the Corporation.

3.6. No Preemptive Right.

The holders of Preferred Series B shares shall not have any preemptive right (i) to subscribe for or to acquire any unissued or treasury shares of any class of stock of the Corporation or (ii) to subscribe for or acquire any bonds,



certificates of indebtedness, debentures or other securities convertible into, or carrying options or warrants to purchase or acquire, any stock or other securities of the Corporation.

Section 4. Definitions.

As used in this Article FIFTH, the following terms shall have the meanings, respectively hereinafter stated:

4.1. "Conversion Date" shall mean the date of death of Ronald R.S. Picerne or April 1, 1998, whichever first occurs.

4.2. "Special Preferred Redemption Price" shall mean an amount equal to the sum of the par value of a preferred share plus (i) all dividends declared thereon prior to the Conversion Date but unpaid through the redemption date and (ii) all dividends thereon accrued and unpaid on or after the Conversion Date (whether or not declared) through the redemption date.

[THIS AMENDMENT TO BE EFFECTIVE ON JANUARY 1, 1982]

THIRD: The number of shares of the corporation outstanding at the time of such adoption was 1,525; and the number of shares entitled to vote thereon was 15

FOURTH: The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows: (if inapplicable, insert "none")

Class	Number of Shares
Common	15

FIFTH: The number of shares voted for such amendment was 15; and the number of shares voted against such amendment was none.

SIXTH: The number of shares of each class entitled to vote thereon as a class voted for and against such amendment, respectively, was: (if inapplicable, insert "none")

	Number of Shares Voted	
Class	For	Against
Common	15	-0-

The action of the shareholders referred to in Article FIFTH above was taken in accordance with the provisions of Section 7-1.1-3 of the 1956 General Laws of Rhode Island, as amended, without a meeting pursuant to the written consent of the holders of all the outstanding shares of the no par value Common Stock of the Corporati

SEVENTH: The manner, if not set forth in such amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the amendment shall be effected, is as follows: (If no change, so state)

None

EIGHTH: The manner in which such amendment effects a change in the amount of stated capital, and the amount of stated capital as changed by such amendment, are as follows: (If no change, so state)

No change

Dated December 29, 1978

PICERNE INVESTMENT CORPORATION

By _____

Its President

and _____

Its Asst. Secretary

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE } Sc.

At Providence in said county on this 29th day of December, 1978, personally appeared before me Ronald R. S. Picerne, who, being by me first duly sworn, declared that he is the President of PICERNE INVESTMENT CORPORATION

that he signed the foregoing document as President of the corporation, and that the statements therein contained are true.

Margaret D. Farrell
Notary Public

(NOTARIAL SEAL)

My Commission Expires
June 30, 1981

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Filing Fee: $50.00

ARTICLES OF MERGER OF DOMESTIC CORPORATIONS INTO

PICERNE INVESTMENT CORPORATION

Pursuant to the provisions of Chapter 7-1.1 of the General Laws, 1956, as amended, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

FIRST: The following Plan of Merger was approved by the shareholders of each of the undersigned corporations in the manner prescribed by said Chapter 7-1.1:

(Insert Plan of Merger)

SECOND: As to each of the undersigned corporations, (except one whose shareholders are not required to approve the agreement under § 7-1.1-67, in which event that fact shall be set forth), the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on such Plan, are as follows:

Name of Corporation	Number of Shares Outstanding	Entitled to Vote as a Class	
		Designation of Class	Number of Shares
PICERNE INVESTMENT CORPORATION	45	Common	45
" " "	450	Preferred	450
WOODRIDGE INVESTMENT CORPORATION	475	Common	475
WOODRIDGE INVESTMENT CORPORATION	1,050	Class B Common	1,050
WOODRIDGE INVESTMENT CORPORATION	300	Preferred	300
MEADOWBROOK CORP.	625	Common	625
" "	1,000	Preferred	1,000
PILGRIM LAND DEVELOPERS, INC.	2	Common	2
PILGRIM LAND DEVELOPERS, INC.	60	Preferred	60

THIRD: As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, and, as to each class entitled to vote thereon as a class, the number of shares of such class voted for and against such Plan, respectively, are as follows:

Name of Corporation	Number of Shares				
	Total Voted For	Total Voted Against	Entitled to Vote as a Class		
			Class	Voted For	Voted Against
ICERNE INVESTMENT CORPORATION	45	-0-	Common	45	-0-
" " "	450	-0-	Preferred	450	-0-
OODRIDGE INVESTMENT CORPORATION	475	-0-	Common	475	-0-
" " "	1,050	-0-	Class B Common	1,050	-0-
" " "	300	-0-	Preferred	300	-0-
EADOWBROOK CORP.	625	-0-	Common	625	-0-
" "	1,000	-0-	Preferred	1,000	-0-
ILGRIM LAND DEVELOPERS, INC.	2	-0-	Common	2	-0-
" " " "	60	-0-	Preferred	60	-0-

The action of the shareholders referred to in this Article THIRD was taken in accordance with the provisions of Section 7-1.1-30.3 of the 1956 General Laws of Rhode Island, as amended, without a meeting pursuant to the written consent of all of the holders of all of the shares of all classes of stock set forth in the column of this ARTICLE captioned "Total Voted For."

FOURTH: Time merger to become effective (§ 7-1.1-69): The merger provided for in these Articles of Merger and in the Agreement and Plan of Merger attached hereto shall be effective at the midnight of March 31/April 1, 1978.

Dated March 31, 19 78

MEADOWBROOK CORP.

By Ronald P. Picerne
Its President

and Gloria M. Rossi
Its Secretary

PILGRIM LAND DEVELOPERS, INC.

By Ronald P. Picerne
Its President

and Gloria M. Rossi
Its Secretary

PICERNE INVESTMENT CORPORATION

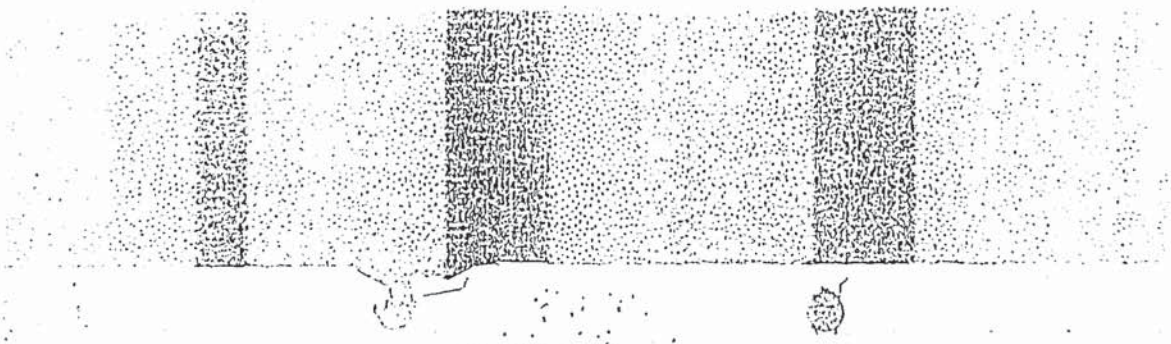
By Ronald P. Picerne
Its President

and Gloria M. Rossi
Its Secretary

WOODRIDGE INVESTMENT CORPORATION

By Ronald P. Picerne
Its President

and Gloria M. Rossi
Its Secretary



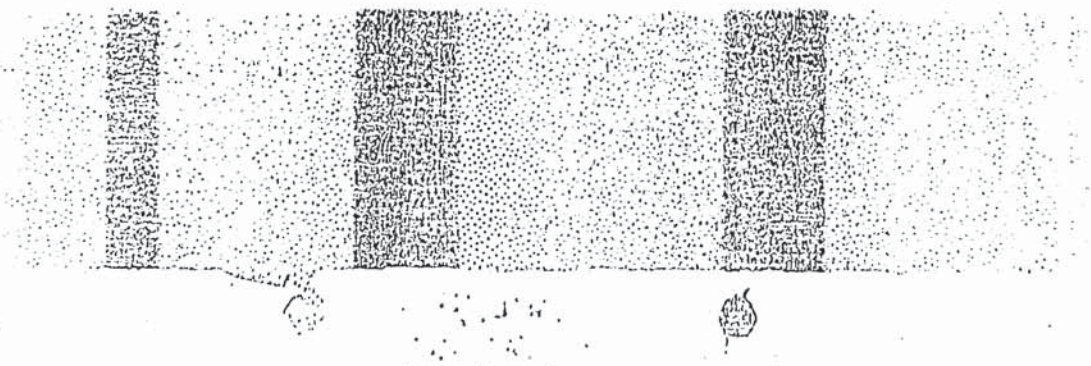
PLAN OF MERGER

Agreement and Plan of Merger dated this 31st day of March, 1978, by and among PICERNE INVESTMENT CORPORATION, a Rhode Island corporation (hereinafter referred to either as "Picerne" or "the surviving corporation"), WOODRIDGE INVESTMENT CORPORATION, a Rhode Island corporation (hereinafter referred to as "Woodridge"), MEADOWBROOK CORP., a Rhode Island corporation (hereinafter referred to as "Meadowbrook"), and PILGRIM LAND DEVELOPERS, INC., a Rhode Island corporation (hereinafter referred to as "Pilgrim"),

W I T N E S S E T H:

WHEREAS, the authorized capital stock of Picerne consists of (i) 100 shares of common stock without par value of which 45 shares are issued and outstanding and (ii) 1,000 shares of $100 par value, 5%, noncumulative, nonvoting preferred stock of which 450 shares are issued and outstanding; and

WHEREAS, the authorized capital stock of Woodridge consists of (i) 3,000 shares of $1.00 par value voting common stock of which 475 shares are issued and outstanding, (ii) 7,000 shares of $1.00 par value Class B nonvoting common stock of which 1,050 shares are issued and outstanding, and (iii) 1,000 shares of $100 par value, 5%, cumulative, nonvoting preferred stock of which 300 shares are issued and outstanding; and

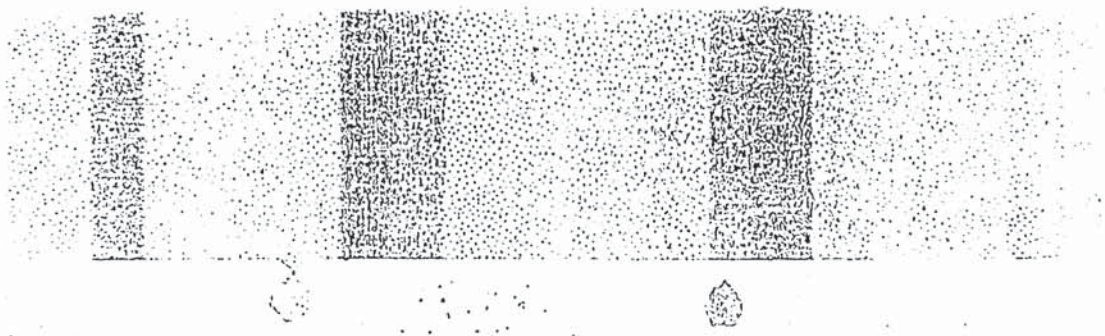


WHEREAS, the authorized capital stock of Meadowbrook consists of (i) 62,000 shares of $1.00 par value common stock of which 625 shares are issued and outstanding, and (ii) 1,000 shares of $100 par value, 6%, noncumulative, nonvoting preferred stock of which 1,000 shares are issued and outstanding; and

WHEREAS, the authorized capital stock of Pilgrim consists of (i) 100 shares of common stock without par value of which 2 shares are issued and outstanding and (ii) 500 shares of $100 par value, 5%, noncumulative, nonvoting preferred stock of which 60 shares are issued and outstanding; and

WHEREAS, the respective Boards of Directors of Picerne, Woodridge, Meadowbrook and Pilgrim have determined that it is advisable and in the best interests of such corporations and their respective shareholders that Woodridge, Meadowbrook and Pilgrim be merged into Picerne pursuant to the provisions of Chapter 7-1.1 of the General Laws of Rhode Island, 1956, as amended;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and provisions herein contained, Picerne, Woodridge, Meadowbrook and Pilgrim do hereby agree that Woodridge, Meadowbrook and Pilgrim shall be merged into Picerne, and that the terms and conditions of said merger



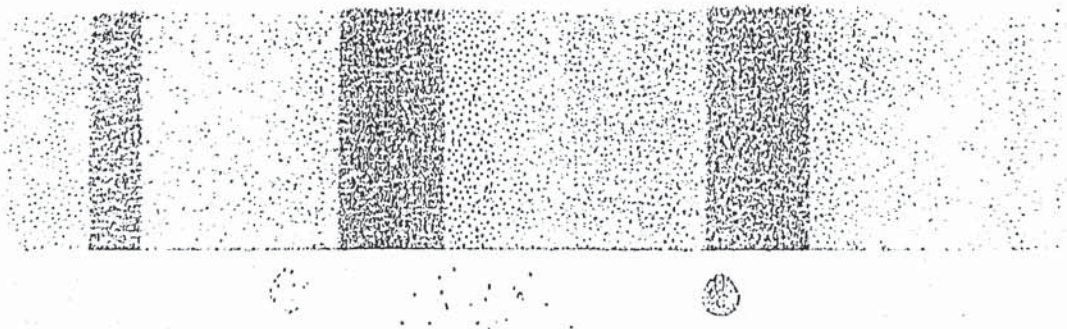
and the manner and basis of converting the shares of each such corporation into the shares of the surviving corporation shall be as follows:

1. At the effective time of the merger, Woodridge, Meadowbrook and Pilgrim shall be merged into Picerne, which shall be the surviving corporation, and its identity, existence, powers, objects, franchises, rights and immunities, shall be unaffected and unimpaired by the merger. At the time said merger becomes effective, the separate existence of Woodridge, of Meadowbrook and of Pilgrim, except insofar as such separate existence may be continued by statute, shall cease.

2. The terms and conditions of the merger are as follows:

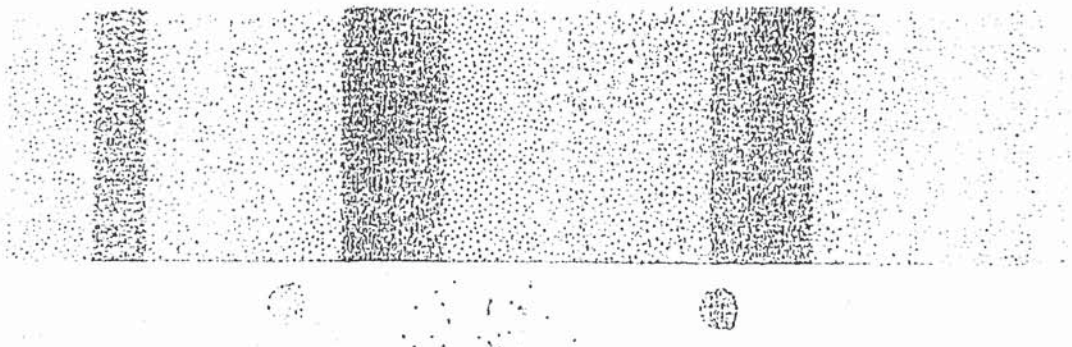
2.1 Except as set forth in paragraph 3 hereof, the Articles of Incorporation (formerly the Articles of Association) and the bylaws of Picerne, as the same exist at the effective time of the merger, shall be the Articles of Incorporation and the bylaws of the surviving corporation.

2.2 The directors of Picerne at the effective time of the merger shall continue to be the directors of the surviving corporation until their successors are elected and qualified in accordance with the bylaws of the surviving corporation.



2.3 The officers of Picerne at the effective time of the merger shall continue in office as the officers of the surviving corporation and shall hold office until their respective successors are elected and qualified in accordance with the bylaws of the surviving corporation.

2.4 At the time said merger becomes effective, the surviving corporation shall thereupon and thereafter possess all of the rights, privileges, immunities and franchises, as well of a public as of a private nature, of each of the merging corporations, and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares and all other choses in action, and all and every other interest of or belonging to or due to each of the corporations so merged, shall be taken and deemed to be transferred to and vested in Picerne as the surviving corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of the merging corporations shall not revert or be in any way impaired by reason of such merger, but shall be vested in Picerne as the surviving corporation. Picerne, as the surviving corporation, shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged; and any claim existing or action or proceeding pending by or against any of such



merging corporations may be prosecuted as if such merger had not taken place, or Picerne may be substituted in the place of any such merging corporation.

3. At the effective time of the merger, Article FIFTH of the Articles of Incorporation of Picerne filed with the Secretary of State of Rhode Island on April 20, 1951, as amended on February 4, 1955, shall be amended to read as follows:

"FIFTH. The aggregate number of shares which the Corporation shall have authority to issue is:

One Thousand (1,000) shares of common stock without par value; and

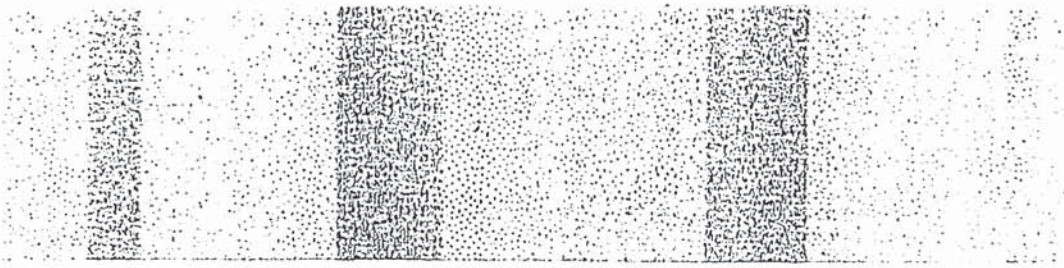
Five Thousand (5,000) shares of preferred stock with par value of One Hundred Dollars ($100) each.

The voting powers, designations, preferences and relative participating rights of the classes of stock of the Corporation are as follows:

(a) The holders of the common stock shall be entitled to vote on all matters submitted to vote at any meeting of shareholders. The holders of preferred stock shall not be entitled to vote on any matter submitted to vote at any meeting of shareholders and shall not have any voice in the management of the Corporation.

(b) The holders of preferred stock are entitled to receive, when and as declared, out of the unreserved and unrestricted earned surplus of the Corporation dividends at the rate of six per cent (6%) per annum, payable as the Board of Directors may determine, before any dividends shall be set apart for or paid upon the common stock. Dividends on the preferred stock shall not be cumulative.

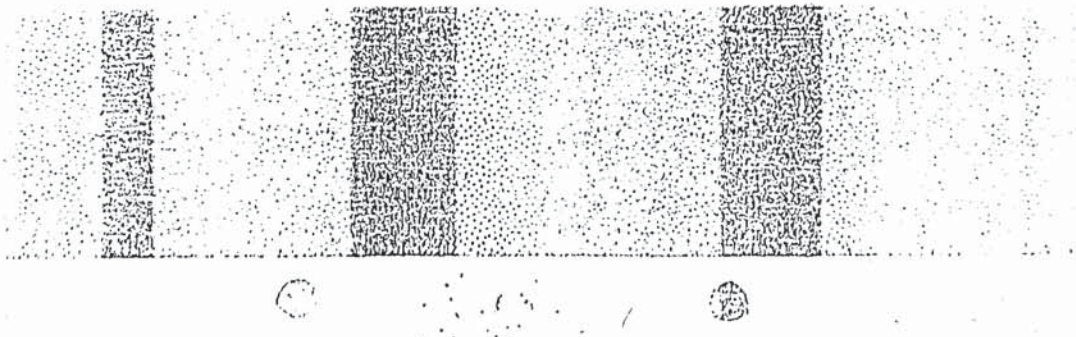
(c) The preferred stock may be redeemed in whole or in part at any time by resolution of the Board of



Directors upon not less than thirty (30) days' prior written notice to the holders of record of the preferred stock given in such manner and form and on such terms and conditions as may be prescribed by the Board of Directors and by payment in cash for each share of the preferred stock to be redeemed one hundred ten per cent (110%) of the par value thereof plus all unpaid dividends, if any.

(d) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or any reduction in its capital resulting in any distribution of assets to its shareholders, the holders of the preferred stock shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings, available for distribution to its shareholders, before any amount shall be paid to the holders of the common stock or of the stock of any other class ranking junior to the preferred stock, the par value thereof plus all unpaid dividends, if any, and after such payment to the holders of the preferred stock, all remaining assets, funds and properties of the Corporation shall be paid to the holders of the common stock and of the stock of any other class ranking junior to the preferred stock. The purchase or redemption by the Corporation of stock of any class, in any manner permitted by law, shall not for the purpose of this paragraph (d) be regarded as a liquidation, dissolution or winding up of the Corporation or as a reduction of its capital. Neither the consolidation nor the merger of the Corporation with or into any other corporation or corporations, nor the sale or transfer by the Corporation of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Corporation for the purposes of this paragraph (d). A dividend or distribution to shareholders from net profits or surplus earned after the date of any reduction of capital shall not be deemed to be a distribution resulting from such reduction in capital. No holder of preferred stock shall be entitled to receive any amounts with respect thereto upon any liquidation, dissolution or winding up of the Corporation other than the amounts provided for in this paragraph (d).

(e) No holder of preferred stock of the Corporation shall be entitled, as of right, to purchase or subscribe for any part of the unissued stock of the Corporation or of any stock of the Corporation to be issued by reason of any increase of the authorized

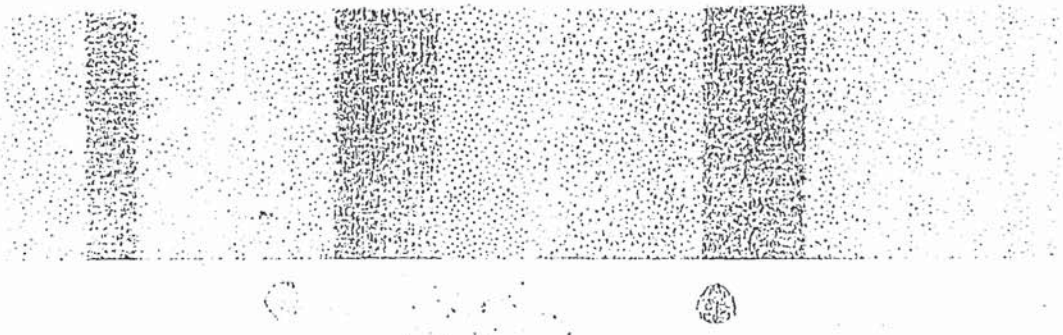


capital stock of the Corporation, or to purchase or subscribe for any bonds, certificates of indebtedness, debentures or other securities convertible into or carrying options or warrants to purchase stock or other securities of the Corporation or to purchase or subscribe for any stock of the Corporation purchased by the Corporation or by its nominee or nominees, or to have any other preemptive rights now or hereafter defined by the laws of the State of Rhode Island."

4. At the effective time of merger the outstanding shares of the capital stock of Woodridge, Meadowbrook and Pilgrim shall be converted into shares of Picerne, the surviving corporation, in the following manner:

4.1 Since Ronald R. S. Picerne of Cranston, Rhode Island and Woodridge own all of the issued and outstanding shares of common stock of Picerne and since the said Ronald R. S. Picerne shall own all of the issued and outstanding shares of common stock of Picerne upon the merger of Woodridge into Picerne, the 30 shares of common stock of Picerne owned by Woodridge shall be cancelled and no shares shall be issued in conversion therefor or with respect thereto.

4.2 Since the said Ronald R. S. Picerne owns all of the issued and outstanding common stock (voting and nonvoting) of Woodridge and all of the issued and outstanding common stock of Meadowbrook, no shares of stock of Picerne shall be issued in conversion for or with respect to (i) the 475 outstanding shares of voting common stock of Woodridge (ii) the 1,050 outstanding shares of Class B nonvoting



common stock of Woodridge or (iii) the 625 outstanding shares of common stock of Meadowbrook.

4.3 Since all of the issued and outstanding shares of common stock of Pilgrim are owned by Picerne, all such shares shall be cancelled and no shares of stock of Picerne shall be issued in conversion therefor or with respect thereto.

4.4 Each of the 450 outstanding shares of $100 par value, 5%, noncumulative, nonvoting preferred stock of Picerne owned by Woodridge shall be cancelled and no shares shall be issued in conversion therefor or with respect thereto.

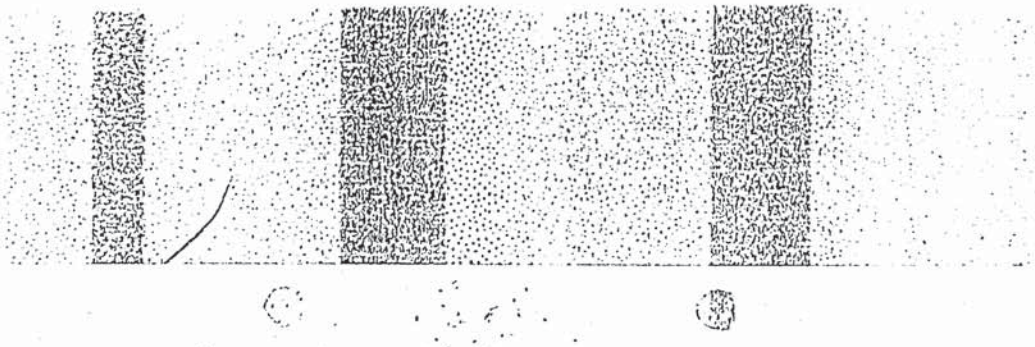
4.5 Each of the 300 outstanding shares of $100 par value, 5%, cumulative, nonvoting preferred stock of Woodridge shall be converted into 1.5 shares of $100 par value, 6%, noncumulative, nonvoting preferred stock of Picerne.

4.6 Each of the 1,000 outstanding shares of $100 par value, 6%, noncumulative, nonvoting preferred stock of Meadowbrook shall be converted into one share of $100 par value, 6% noncumulative, nonvoting preferred stock of Picerne.

4.7 Each of the 60 outstanding shares of $100 par value, 5%, noncumulative, nonvoting preferred stock of Pilgrim shall be converted into one share of $100 par value, 6%, noncumulative, nonvoting preferred stock of Picerne.

4.8 After said merger becomes effective, each holder of any outstanding certificate representing shares of preferred stock of Woodridge, Meadowbrook or Pilgrim shall surrender the same to Picerne and each such holder shall be entitled upon such surrender to receive the number of shares of preferred stock of the surviving corporation on the basis provided herein. Until so surrendered the outstanding shares of the preferred stock of Woodridge, Meadowbrook and Pilgrim to be converted into the preferred stock of the surviving corporation as provided herein, may be treated by the surviving corporation for all corporate purposes as evidencing the ownership of shares of the surviving corporation as though said surrender and conversion had taken place.

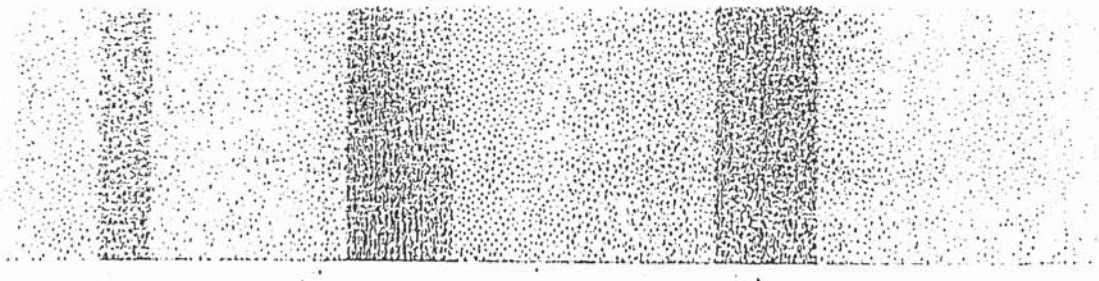
5. After this Agreement and Plan of Merger has been approved by the Boards of Directors of Picerne, Woodridge, Meadowbrook and Pilgrim and has been duly authorized and adopted by the shareholders of Picerne, Woodridge, Meadowbrook and Pilgrim upon execution and acknowledgement of the same, Articles of Merger shall be executed and filed together with a copy of this Agreement and Plan of Merger as authorized, approved, signed and acknowledged, with the Secretary of State of Rhode Island in accordance with Chapter 7-1.1 of the General Laws of Rhode Island, 1956, as amended.



6. To the extent permitted by law, from time to time as and when requested by the surviving corporation, or by its successors or assigns, Woodridge, Meadowbrook and Pilgrim shall execute, seal and deliver, or cause to be executed, sealed and delivered, all such deeds and instruments, or to take or cause to taken, such further or other actions as the surviving corporation may deem necessary or desirable, in order to vest in and confirm to the surviving corporation title to, and possession of, any property of Woodridge, Meadowbrook and/or Pilgrim acquired by reason of and as a result of the merger provided for herein, and otherwise to carry out the intent and purposes hereof; and the proper officers and directors of Woodridge, Meadowbrook and/or Pilgrim and the proper officers and directors of Picerne are fully authorized in the name of Woodridge, Meadowbrook and/or Pilgrim or otherwise to take any and all such action.

7. The merger provided for in this Agreement and Plan of Merger shall become effective at the midnight of of March 31/April 1, 1978.

IN WITNESS WHEREOF, PICERNE INVESTMENT CORPORATION, WOODRIDGE INVESTMENT CORPORATION, MEADOWBROOK CORP. and PILGRIM LAND DEVELOPERS, INC., pursuant to the approval and authority given by their respective Boards of Directors,



have by their respective presidents executed these presents and have caused their corporate seals to be hereinto affixed and attested by their respective secretaries.

Attest:

Gloria M. Rossi
Secretary

PICERNE INVESTMENT CORPORATION

By: Ronald P. Picerne
President

Attest:

Gloria M. Rossi
Secretary

WOODRIDGE INVESTMENT CORPORATION

By: Ronald P. Picerne
President

Attest:

Gloria M. Rossi
Secretary

MEADOWBROOK CORP.

By: Ronald P. Picerne
President

Attest:

Gloria M. Rossi
Secretary

PILGRIM LAND DEVELOPERS, INC.

By: Ronald P. Picerne
President

STATE OF RHODE ISLAND
COUNTY OF Providence } Sc.

At Providence in said County on the 31st day of March 1978, before me personally appeared Ronald R. S. Picerne, who being by me first duly sworn, declared that he is the President of PICERNE INVESTMENT CORPORATION, that he signed the foregoing document as such President of the corporation, and that the statements therein contained are true.

Margaret D. Farrell
Notary Public
My Commission Expires
June 30, 1981

(NOTARIAL SEAL)

STATE OF RHODE ISAND
COUNTY OF Providence } Sc.

At Providence in said county on the 31st day of March 19 78, before me personally appeared Ronald R. S. Picerne, who being by me first duly sworn, declared that he is the President of WOODRIDGE INVESTMENT CORPORATION,*, that he signed the foregoing document as such President of ~~the~~ each of said corporations /~~corporation~~, and that the statements therein contained are true.

EADOWBROOK CORP. and
ILGRIM LAND DEVELOPERS, INC.

Margaret D. Farrell
Notary Public
My Commission Expires
June 30, 1981

(NOTARIAL SEAL)

: ••••★03••••50.00

3 31 78 9496A14••••50.00BL

MAR 31 1978

(Original Amendment of Articles of Association or Charter of BUSINESS Corporation.)

State of Rhode Island and Providence Plantations

January 5, 1955

WE, the undersigned officers of

PICERNE INVESTMENT CORPORATION

a corporation duly incorporated under the laws of the State of Rhode Island, HEREBY CERTIFY, that at a meeting of the stockholders of said corporation, duly called for the purpose, and held in the City of Providence, in said State, on the 29th day of December, A. D. 19 54, the following amendment(s) to the Articles of Association (or Charter) ~~xxx(xx~~ were~~)~~ duly adopted by an affirmative vote of the following proportion of the stockholders of said corporation, viz:—

One hundred percent (100%) of the issued and outstanding common stock and one hundred percent (100%) of the issued and outstanding preferred stock voting specially.

which said vote amends or adds the following ~~Article(xx~~ Articles~~)~~ to read as follows, viz:

~~"Article No. xx~~

"Article No.

(OVER)

ARTICLE FIFTH: The preferred stock shall be of one class only and its advantages over the common stock, and its limitations, shall be as follows:

(1) The holders of preferred stock shall be entitled, in preference over the holders of the common stock of the corporation, to receive on each share of said preferred stock from the surplus or net profits of the corporation yearly dividends at the rate of five percent (5%) on the par value thereof, and no more, payable yearly, as and when the same shall be declared by a vote of the holders of a majority of the outstanding common stock of the corporation, before any dividends shall be declared on the common stock or paid to the holders thereof in any one calendar year. The five percent (5%) dividend shall be non-cumulative, so that if said dividend is not declared or paid in any one calendar year, the dividend for that year shall be passed and shall not be declared or paid in any subsequent calendar year.

(2) The voting power of the shares of capital stock in this corporation shall be vested wholly in the holders of the shares of common stock. The preferred stock shall have no voting power whatever except as specifically required by the statute(s) of the State of Rhode Island.

"Article N(3) In the event of the liquidation, dissolution or winding-up of the business affairs of this corporation, the holders of the preferred stock shall, and they are entitled to, be paid the par value of such preferred stock in full together with unpaid dividends, if any, declared during the year of liquidation, dissolution and/or winding-up, before any amount or amounts shall be paid to the holders of the common stock. After such payment(s) to the holders of the preferred stock, the remaining assets of the corporation shall be distributed pro rata to the common stockholders.

(4) The corporation, upon the vote of a majority of the outstanding common stock of the corporation, shall have the right, at any time, to retire all or any part of the preferred stock then outstanding by paying one hundred ten dollars ($110.) per share and, in addition thereto, all unpaid dividends, if any, declared during the year of call or retirement. From and after the date fixed for the retirement of any or all of the preferred stock, all dividends on the preferred stock called for retirement shall cease and all rights of the holders thereof as preferred stockholders of the corporation shall forthwith cease and terminate.

(5) The holders of the preferred stock of this corporation, as such, shall have no right to subscribe to any other class or classes of capital stock issued by the corporation.

ARTICLE SEVENTH: The corporation shall have the right, in the event of a proposed sale of any of either the common stock or the preferred stock of this corporation by any stockholder, to purchase said common or preferred stock at the lowest price at which such stockholder is willing to sell the same before such common or preferred stock may be sold to any other party; and no sale of any common or preferred stock to any party other than the corporation shall be valid unless the offer to sell such stock, at the lowest price at which the holder thereof is willing to sell, shall have first been received in writing by the corporation. The corporation shall have ninety (90) days from the receipt of said offer in which to accept or reject said offer. A majority of the stockholders present at the meeting at which such offer is made and entitled to vote, although said majority may not be a quorum, shall have the power to accept or reject such offer on behalf of the corporation.

Any stockholder who shall have offered either his common or preferred stock for sale to the corporation in accordance with the foregoing provisions, may, at any time within thirty (30) days after the rejection of such offer by the corporation, or if the corporation shall neither accept nor reject such offer, then within one hundred (100) days after such offer shall have been received by the corporation, sell the common or preferred stock so offered to the corporation to any other party, but not for a price lower than that at which such common stock shall have been previously offered to the corporation, and the corporation may require affidavits from the stockholder(s) and the purchaser(s) of such common or preferred stock as to the price paid therefor before transferring such stock upon the books of the corporation.

Article No.

"Article No.

[CORPORATE SEAL]

ATTEST:

Romeo S. Piccirelli
President (~~or Vice President~~).

Romeo S. Piccirelli Jr.
~~Secretary (or Assistant Secretary)~~.

State of Rhode Island,

County of Providence,

In the City of Providence
on this 3rd day of January
A. D. 1955, subscribed and sworn to before me.

Eustace T. Pliakos
Notary Public.

BUSINESS

ORIGINAL

CERTIFICATE OF AMENDMENT OF ARTICLES OF ASSOCIATION OR CHARTER OF

PICERNE INVESTMENT CORPORATION

Duly Incorporated Under the Laws of the State of Rhode Island.

FILED IN THE OFFICE OF THE SECRETARY OF STATE

FEB -4 1955

19

State of Rhode Island and Providence Plantations

ORIGINAL ARTICLES OF ASSOCIATION

(BUSINESS CORPORATION)

Know all Men by these Presents, That we CHRISTOPHER DEL SESTO, EDWARD V. HEALEY, JR. and EDITH K. CONTENTE

all of lawful age, hereby agree to and with each other:

FIRST. To associate ourselves together with the intention of forming a corporation under and by virtue of the powers conferred by Article II of Chapter 116 of the General Laws of Rhode Island.

SECOND. Said corporation shall be known by the name of

PICERNE INVESTMENT CORPORATION

THIRD. Said corporation is formed (as permitted by § 4 of said Chapter 116) for the purpose of

buying, selling, and otherwise dealing in notes, stocks, bonds, or other investments, including the right to hold, buy, sell, lease, mortgage, or otherwise encumber, sell, and dispose of real and personal property of all kind and description.

To subscribe for, cause to be subscribed for, and to purchase or otherwise acquire, hold (for investment, to sell, assign, transfer, mortgage, pledge, exchange, distribute or otherwise dispose of the whole or any part of the shares of the capital stock, bonds, coupons, mortgages, deeds of trust, debentures, securities, obligations and other evidences of indebtedness of any corporation, or common law trust, now or hereafter existing, and whether created by or under the laws of the State of Rhode Island, or otherwise, and while owners of any of said shares of capital stock or bonds or other property to exercise all rights, powers and privileges of ownership of every kind and description, including the right to vote thereon, with power to designate some person for that purpose from time to time to the same extent as natural persons might or could do; and also to purchase, hold and sell any of its obligations, including investment trust certificates and to make credit advances thereon as may be determined from time to time. None of the above powers by any implication or construction shall be deemed to grant the corporation the power of carrying on the business of discounting bills or notes or in any sense authorize said corporation to carry on the business of banking.

To purchase, hold, sell and reissue the shares of its own capital stock.

To indorse, guarantee and secure the payment and satisfaction of bonds, coupons, mortgages, deeds of trust, debentures, securities, obligations and evidences of indebtedness, and also to guarantee and secure the payment or satisfaction of interest on obligations and of dividends on shares of the capital stock of other corporations, also to assume the whole or any part of the liabilities, existing or prospective of any person, corporation, firm or association, and to aid in any manner any other person or corporation with which it has business dealings, or whose stocks, bonds or other obligations are held or, are in any manner guaranteed by the corporation, and to do any other acts and things for the preservation, protection, improvement, or enhancement of the value of such stocks, bonds, or other obligations, but not in any way exercising the powers of a Surety Company.

or corporations created by this state or by any other state, country, nation or government;

(j) to acquire, hold, use, manage, convey, lease, mortgage, pledge or otherwise dispose of within or without this state any other property, real or personal, which its purposes shall require;

(k) to conduct business and have offices in this state and elsewhere: *Provided, however*, that nothing in paragraph (a) to (k) inclusive contained shall authorize said corporation to carry on the business of a bank, savings bank or trust company.

(OVER)

FOURTH. Said corporation shall be located in Cranston, Rhode Island.
(City or Town)

FIFTH. The TOTAL amount of authorized capital stock of said corporation, with par value, shall be One Hundred Thousand- -($100,000.00) dollars as follows, viz:
Common stock in the amount of ($) dollars, to be divided into ( ) shares of the par value of ($) dollars each; and
Preferred stock in the amount of One Hundred Thousand- - ($100,000.00) dollars, to be divided into One Thousand- - (-1000-) shares of the par value of One Hundred- - ($ 100.00) dollars each.

(Or if capital stock is without par value)
The TOTAL number of shares of capital stock authorized, without par value, shall be One Hundred- - (-100-) shares, as follows, viz: One Hundred- - (-100-) shares of Common stock, without par value; and ( ) shares of Preferred stock, without par value.

(If capital stock is divided into two or more classes) Description of several classes of stock, including terms on which they are created, and voting rights of each, viz:

(1) The holders of the shares of preferred stock shall be and are entitled to receive and shall so receive dividends on the value of such stock at the rate of five percent (5%) per annum, which shall be cumulative and which shall be set aside and paid before any dividend shall be set aside or paid upon the shares of common capital stock.

(2) The voting power of the shares of capital stock in this corporation shall be vested wholly in the holders of the shares of common capital stock. The preferred capital stock shall have no voting power whatever.

(3) In the event of the liquidation or dissolution, or the winding up of the business affairs of this corporation, the holders of the preferred share of capital stock shall be and they are entitled to be paid first for the full and par value of their shares, together with unpaid dividends up to the time of payment; after the payment to the preferred stockholders, the remaining assets of the corporation shall be distributed among the holders of the common capital stock to the extent of their respective shares.

(4) This corporation shall have the right at its option to retire the preferred stock upon ten (10) days notice, by a resolution of its stockholders by paying for each share of preferred one hundred ten dollars ($110.00) in cash, and in addition thereto all unpaid dividends accrued thereon to the date fixed for such redemption. From and after the date of said resolution to retire said stock, no dividends will be thereafter payable.

SIXTH. (If not perpetual) The period of duration of said corporation shall terminate

(Further provisions not inconsistent with law)

I N

SEVENTH: The corporation shall have the right, in case of a sale of any common stock (not preferred stock) by any stockholder, to purchase said common stock (not preferred stock) at the lowest price at which such stockholder is willing to sell the same before such common stock may be sold to any other party; and no sale of any common stock to any party other than th corporation shall be valid unless the offer to sell such common stock, at the lowest price at which the holder thereof is willing to sell, shall have first been received in writing by the corporation. The corporation shall have ninety (90) days from the receipt of said offer in which to accept or reject said offer. A majority of the stockholders present at the meeting at which said offer is made, although said majority may not be a quorum, sh have the power to accept or reject such offer on behalf of the corporation.

Any stockholder who shall have offered his common stock for sale to the corporation in accordance with the foregoing provisions, may, at any time within thirty (30) days after the rejection of such offer by the corporation, or if the corporation shall neither accept nor reject such offer, then within one hundred (100) days after such offer shall have been receive by the corporation, sell the common stock so offered to the corporation, to any other party, but not for a price lower than that at which such common stock shall have been previously offered to the corporation, and the corporation may require affidavits from the stockholder and the purchaser of such common stock as to the price paid therefor before transferring such common stock upon the books of the corporation.

In Testimony Whereof, We have hereunto set our hands and stated our residences this 20th day of APRIL, A. D. 1951.

NAME	RESIDENCE (No. Street, City or Town)
Christopher Del Sesto	5 Wingate Road, Providence, R.
Edward V. Healey, Jr.	1138 Wesleyan Ave., Providence, R.
Edith K. Contente	81 Sycamore St., Providence, R. I

STATE OF RHODE ISLAND, } In the City
COUNTY OF PROVIDENCE } of PROVIDENCE

In said county this 20th day of APRIL A. D. 1951 then personally appeared before me CHRISTOPHER DEL SESTO, EDWARD V. HEALEY, J. and EDITH K. CONTENTE, all of the City and County of Providence,

each and all known to me and known by me to be the parties executing the foregoing instrument, and they severally acknowledged said instrument by them subscribed to be their free act and deed.

Thomas F. Fontaine
Notary Public

(BUSINESS CORPORATION)

ORIGINAL

ARTICLES OF ASSOCIATION OF

PICERNE INVESTMENT CORPORATION

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
APR 20 1951
19

State of Rhode Island and Providence Plantations

Department of State | Office of the Secretary of State

Nellie M. Gorbea, *Secretary of State*

Certification Number: **16080056710**

The office of the Secretary of State of the State of Rhode Island and Providence Plantations, HEREBY CERTIFIES, that

PICERNE INVESTMENT CORPORATION

a Rhode Island corporation, filed original articles of association in this office on

April 20, 1951 *Effective* *April 20, 1951*

IT IS FURTHER CERTIFIED that as of this date said corporation is duly organized and existing under and by virtue of the laws of the State of Rhode Island and is in good standing according to the records of this office.

SIGNED AND SEALED ON

Monday, August 22, 2016

Secretary of State

Authorized Agent

SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS • 1636 •

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FINANCIAL STATEMENTS

Due to the confidentiality of PIC Financials we are submitting a separate, sealed envelope provided in the back cover of the application binder.

EXHIBIT A - APPLICANT CAPACITY FORM

DEVELOPMENT NAME Toledo Place

APPLICANT Toledo Place, LP

CURRENT PROJECTS UNDERWAY

Applicant/Co-Sponsor Name	Project Name	Stage	# of Units	Date Initiated	Planned Completion Date	Total Development Budget	Town/ City
Picerne Investment Corporation	The Pointe at Merrit Street	Construction/Lease-Up	102	03/16	03/17	$20,000,000	Altamonte Springs, FL
Picerne Investment Corporation	Villages at Halifax II	Construction/Lease-Up	80	03/16	03/17	$18,000,000	Daytona Beach, FL
Picerne Investment Corporation	Oasis at Highwoods Preserve	Construction	295	09/16	03/18	$41,500,000	Tampa, FL
Picerne Investment Corporation	Oasis at Lake Bennett	Construction	302	03/16	09/17	$41,000,000	Ocoee, FL
Picerne Investment Corporation	Oasis at Grand Pines	Construction/Lease-Up	282	10/16	04/17	$41,000,000	Orlando, FL

PROJECTS COMPLETED

Applicant/Co-Sponsor Name	Project Name	Project Type	# of Units	Date Initiated	Date Completed	Total Development Budget	Town/ City
Picerne Investment Corporation	Laurel Court	LIHTC	81	12/14	12/15	$14,000,000	DeLand, FL
Picerne Investment Corporation	Liberty Trails	LIHTC	100	06/14	10/15	$16,000,000	Liberty Hill, TX
Picerne Investment Corporation	Oasis at Brandon	Conventional	310	10/13	04/15	$33,750,000	Riverview, FL
Picerne Investment Corporation	Oasis at Moss Park	Conventional	320	10/14	05/16	$40,000,000	Orlando, FL

PROJECTS OF SIMILAR TYPE & SCALE

Applicant/Co-Sponsor Name	Project Name	Project Type	# of Units	Date Initiated	Date Completed	Total Development Budget	Town/ City
See Above	See Above	See Above	See Above	See Above	See Above	See Above	See Above

EXHIBIT B - QUALIFIED DEVELOPMENT TEAM CONTACT INFORMATION

DEVELOPMENT NAME	Toledo Place	**APPLICANT**	Toledo Place, LP

APPLICANT
(Owner/Mortgagor):

Address:	247 N. Westmonte Drive		
	Altamonte Springs, FL 32714	Website:	N/A
Principal(s):	Robert M. Picerne		
Contact Person:	Todd M. Wind	Email Address:	Twind@picernefl.com
Telephone Number:	407-772-0200	Fax Number:	407-772-0220

DEVELOPER

(Legal Name):	Picerne Affordable Development, LLC		
Address:	247 N. West Monte Drive		
	Altamonte Springs, FL 32714	Website:	www.picernerealestategroup.com
Principal(s):	Robert M. Picerne		
Contact Person:	Todd M. Wind	Email Address:	twind@picernefl.com
Telephone Number:	407-772-0200	Fax Number:	407-7720220

ARCHITECT

	Forum Architectural & Interior Design, INC		
Address:	237 S. Westmonte Drive Suite 220		
	Altamonte Springs, FL 32714	Website:	www.forumarchitecture.com
Principal(s):	James Black		
Contact Person:	Karen McIntyre	Email Address:	kmintyre@forumarchitecture.com
Telephone Number:	407-830-1400	Fax Number:	N/A

CONTRACTOR

	Picerne Construction Corporation		
Address:	247 N. Westmonte Drive		
	Altamonte Springs FL, 32714	Website:	www.picernerealestategroup.com
Principal(s):	Robert M. Picerne		
Contact Person:	Todd M. Wind	Email Address:	twind@picernefl.com
Telephone Number:	407-772-0200	Fax Number:	407-772-0220

OTHER

Address:			
		Website:	
Principal(s):			
Contact Person:		Email Address:	
Telephone Number:		Fax Number:	

FORUM ARCHITECTURE & INTERIOR DESIGN, INC., based in Altamonte Springs, Florida (Orlando), is an employee owned full service architectural firm specializing in planning, architecture, and interior design. Forum was founded in 1986 by its principals R. Norman Stoehr and James B. Black.

Firm Overview

As a recognized national leader and award-winning design firm, Forum focuses on six primary markets: multifamily, clubhouses, resort, hospitality, residential and commercial. The firm holds 26 active registrations* in the United States and its territories, offering Professional Design Services on a national basis. Forum's commitment to outstanding value by providing exceptional design quality and superior client service is the cornerstone of the firm's long-term success.

Forum holds active registrations in the following states/provinces*:

Alabama
Arizona
District of Columbia
Florida
Georgia
Illinois
Indiana
Kentucky
Louisiana
Maryland
Massachusetts
Michigan
Mississippi
Missouri
Nevada
New Jersey
New Mexico
New York
North Carolina
Ohio
Ontario, Canada
Pennsylvania
South Carolina
Tennessee
Texas
U.S. Virgin Islands
Virginia
West Virginia

*Individual and firm licenses vary by state or board of registration.

Corporate Address:

745 Orienta Avenue ▪ STE 1121
Altamonte Springs, FL 32701
P:407.830.1400 ▪ F:407.830.4143
www.ForumArchitecture.com

Principals

R. Norman Stoehr

Clemson University
Masters Degree in Architecture

Norman Stoehr has over 32 years of professional experience in architectural and interior design. He is a Registered Architect in 15 states and is also a Licensed Interior Designer and Licensed Real Estate Broker. Norman's interior design services are complemented by the Design Resource Group, FORUM's in-house contract purchasing company which he established and currently serves as President and CEO. Through his extensive experience, Norman has refined his focus and specialized in the areas of Resort/Hotel, Commercial, Residential and Interior Design.

James B. Black, L.P.

University of Florida
Masters Degree in Architecture

Jim Black has over 30 years of professional experience. He is a Registered Architect in 16 states, is a Certified Building Contractor in both Florida and North Carolina, as well as a LEED Accredited Professional. Jim's expertise lies in Multifamily, Clubhouse, Affordable Housing and Senior Housing design, with particular mastery of multifamily land planning.

At the heart of Forum's leadership are our managers. They are part owners of our firm and, working alongside their teams of architects and designers, ensure Forum delivers projects of the highest quality through open communication with the entire project team. One of our managers is involved in every project, from inception through the end of construction, to provide reliable continuity while maintaining and fostering relationships with clients, consultants and contractors. These individuals rely on diversity of experiences and varied skill sets, but they share a common passion and dedication when it comes to providing the best service to our clients. Their management style underscores the firm's overall philosophy of developing long-term relationships built on trust and service with our clients.

Our Managers

Fred Fernandez, Forum's Senior Designer, is a constant resource for design standards, stylistic harmony and architectural excellence. Fred is a graduate of the Oxford School of Architecture in Britain and SCI-Arc. He has specialized in Design and Illustration and has worked for more than 32 years in institutional, commercial, multifamily and residential projects. Fred also taught Design in San Jose, Costa Rica, where he was Director of the Veritas University Department of Architecture, and continues to guide our designers with his expert knowledge of architecture, history and construction.

Karen McIntyre has over 32 years of professional experience, and joined Forum in 2001. Karen's responsibilities include managing multifamily, single family, commercial and renovation projects. She enjoys and is intensely involved in the programming and design phase of many projects; working closely with the client and her team at Forum to develop a complete, well organized set of construction documents. Her goal is to make the client happy by providing exceptional service. Karen is a Registered Architect in the states of Florida and Connecticut.

Alan VanDevender, Senior Quality Control Manager, is experienced in architectural design and detailing, building codes, specifications and construction inspections. He has over 42 years of architectural experience and project management, providing complete architectural services for residential, multifamily and commercial projects. Since 1994 Alan has been a constant resource within Forum, helping to continually refine our construction details and document standards and therefore deliver the highest quality services to our clients. Alan is a Registered Architect in the state of Illinois.

Andrew Roark joined FORUM in 1998 and currently manages commercial, multifamily and renovation projects with an emphasis on complex mid-rise, high-rise and LEED projects. Among his strengths are a strong commitment to communication within the team, a broad working knowledge of building codes and various construction methods, and efficient project scheduling. Andrew believes that the architectural process is one of creative problem-solving throughout all phases of every project, and is steadfastly devoted to providing a quality product.

Steve Silveira has over 27 years of experience in the design and construction of various commercial, multifamily, hotel, healthcare, senior living and single family residential projects in Florida, the southeast and the northeast U.S. His knowledge of steel, concrete and wood frame construction assists in cost effective designs and in offering a variety of construction solutions. As a registered architect and formerly licensed building contractor, Steve offers his leadership skills and team player attitude to the benefit of all his projects. Steve is a Registered Architect in the states of Florida and Massachusetts.

Jeffrey Chue joined Forum in 1999, and has since worked primarily on multifamily projects specializing in wood construction. He believes in and passionately promotes the idea that architecture incorporates the whole process of creating great design, finely detailing and realizing it in a well constructed building. Jeffrey strives daily to accomplish this goal by establishing ongoing relationships with not only the client but also with consultants and contractors. His adamant attitude and expert knowledge of woodframe multifamily construction helps us to repeatedly achieve reliable quality products.

Charlotte Gangi joined Forum in 2006 and is a licensed Interior Designer. As the department manager, she is responsible for reviewing design concepts, establishing client relationships, managing project development, and administrating the interior design team. Charlotte's interest in architecture and construction results in a holistic approach to developing coordinated solutions to design challenges. She has worked with a variety of clients in a wide range of markets, giving her a broad knowledge of design and a focus on tailoring the work for each project's requirements.

Development

Preliminary Plans
Cost Analysis

Professional Services

Land Planning

Site Selection Studies
Master Plans
Town Center Planning
Site Analysis and Physical Feasibility Studies
Real Estate Brokerage Services
Lot Layout Plans
Recreational Plans
Mixed-Use Development Plans

Services

Building Programing
Architectural Design
Interior Design
Structural Engineering Design
Mechanical Engineering Design
Plumbing Engineering Design
Electrical Engineering Design
Fire Protection Engineering Design
Construction Documentation
Contract Administration Services
LEED Development and Administration Services

Special Services

Peer Reviews
FF&E Contract Purchasing
Graphic Signage and Designs
Rendering and Model Productions
Food and Beverage Facility Designs
Lighting and Sound System Designs
Landscape and Irrigation Designs
Sales Brochures and Collateral Marketing Materials

CLIENT *driven* DESIGN

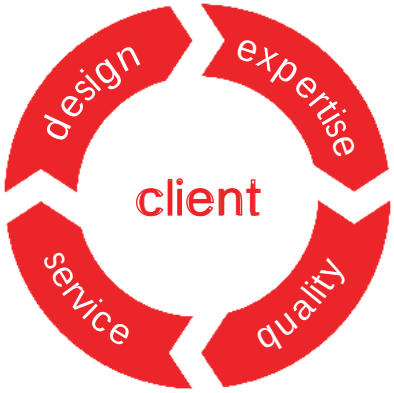
At Forum, we are passionate about creating design for the architectural challenges presented to us as we engage our expertise to find solutions for our client's needs and objectives. We believe that our work is a reflection of our commitment to excellence and a realization of our client's aspirations. We are continually excited by the opportunity to better shape our built environment.

Corporate Philosophy

EXPERTISE *thru* DIVERSITY

Our achievements are a reflection of the diversity of our team. Having a varied and ever-growing set of skills, professional and cultural experience, age and education, our staff is able to gather a full and rich spectrum of ideas and possibilities for design solutions. Such diverse wealth of resources allows us to tailor our designs to our client's needs and to provide the best suited solutions for each project.

QUALITY *thru* UNITY



Although diverse in nature, our team is united in its commitment to quality. As an employee-owned company, each and every person at Forum is directly invested in their work and is dedicated to creating projects of excellence. Our staff is diligent in the coordination of all details and disciplines, with a intense focus on accuracy. Assuring the quality of our work is a shared value within our office, and no detail is too small. Consideration of budgetary constraints is inherent in our work, and we pride ourselves in our ability to maintain project viability without sacrificing quality or design. In collaboration with our client, the contractor and the entire project team, we work together to ensure quality of design is achieved.

SUCCESS *thru* SERVICE

At Forum, the client is the core of our practice. We are committed to understanding their vision and unique project parameters as we effectively tailor our design services to achieve their goals. The long-term relationships we have forged with our clients, combined with our outstanding, value-based and timeless designs, have contributed to our mutual success and longevity.

PICERNE
REAL ESTATE GROUP

Picerne Real Estate Group, founded in 1925, is a vertically integrated company that develops, builds, and manages residential communities. With offices in Arizona, Florida, Rhode Island and Puerto Rico, Picerne has developed over 40,000 units and has consistently been among the Top 25 owners/managers/builders in the United States as ranked by Builders Magazine, National Real Estate Investor, and Multifamily Executive.

The Company currently owns and manages 15,000 rental units, and has historically developed between 1,000 and 4,000 units each year nationwide. Picerne's Florida office opened in Orlando in 1984 and is organized and operated by Robert Picerne. Today the company has several projects under construction, and has a development pipeline in target markets that include Orlando, Tampa, Sarasota, Austin, and Massachusetts, among others.

Top 25 in the U.S.

Picerne has been among the Top 25 Owners /Managers/Builders in the United States as ranked by Multifamily Executive and Builders Magazine

Best of the Best

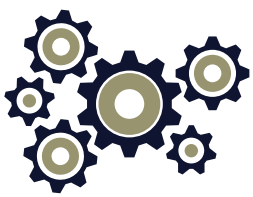
Picerne has been ranked 20th among the Best of The Best Apartment Managers by National Real Estate Investor Magazine.

Units Owned & Self Managed

Picerne currently owns and manages over 15,000 rental units, and has historically developed between 1,000 and 4,000 units per year nationwide.

Units Developed

With offices in Arizona, Florida, Rhode Island, and Puerto Rico, Picerne has developed over 40,000 units.



Development Pipeline

Picerne has several projects under construction and has a development pipeline in target markets that include Florida, Texas, and Massachusetts, among others.

Development Team

Robert Picerne *President*

Robert Picerne is the President of Picerne Development Corporation of Florida, the Southeast affiliate of Picerne Real Estate Group. Mr. Picerne has been with Picerne since 1978, and is responsible for all acquisitions, project design, development, construction, and property management in the southeast region. He is a State of Florida Licensed General Contractor, and has successfully developed over 25,000 multifamily units in twenty-two states and Puerto Rico. Mr. Picerne is a graduate of Brown University.

Ed Wernecke *Executive Vice President*

Edward Wernecke is an Executive Vice President of Property Management. Mr. Wernecke joined Picerne in 1989. He is head of operations and responsible for directing all Property Management activities for the Northeast and Southeast portfolios which included over 20,000 units. He is also involved in researching new markets in the project review process for new acquisitions and developments. He is a Certified Property Manager and a Florida Licensed Real Estate Broker. Mr. Wernecke earned a Bachelor degree in Accounting and Business Administration from St. Ambrose University.

Richard Haley *Senior Vice President*

Richard Haley is Senior Vice President of Finance. Mr. Haley joined Picerne in 1997. He is responsible for all aspects of asset managment including construction and permanent financing, closing of financial transactions, portfolio management, asset disposition and repositioning, and debt restructuring. He is a State of Florida Licensed Certified Public Accountant, and oversees the financial performance of all new construction, acquisition and repositioning ventures undertaken by Picerne. Mr. Haley earned a Bachelor and Master's degree in Accounting from the University of Florida.

Stephen Novacki *Vice President*

Stephen Novacki is Vice President of Acquisitions & Development. Mr. Novacki joined Picerne in 2012 after five years with a Boca Raton based Acquisitions and Mortgage Banking Group, and five years with an Orlando based Multifamily Developer. In these capacities, Mr. Novacki has successfully closed over twenty commercial real estate transactions, whose total value exceeds $500 million. He is responsible for the acquisition of new projects, market rate development, and new business opportunities. He also has primary responsibility for the company’s equity relationships. He earned a Bachelor of Science in Business Administration, majoring in Finance and Investments from Babson College.

Todd Wind *Vice President*

Todd Wind is Vice President of Development. Mr. Wind joined Picerne in 2014 after three years with an Altamonte Springs based multifamily Management Company, and six years with a New York City based Real Estate Developer. He earned a Bachelor of Science in Business Administration, with a concentration in Business Management from Colorado State University. In his role as Vice President, Mr. Wind oversees the company's affordable housing portfolio throughout the southeastern United States. He manages a team which is responsible for site acquisition and development of affordable housing throughout Florida and Texas.

Ike Cottle *Assistant Vice President*

Ike Cottle is Assistant Vice President of Development. Mr. Cottle joined Picerne in 2016 after working as a land broker and development consultant at a boutique commercial real estate services firm in Orlando, FL. He is responsible for site acquisition and development of affordable multifamily housing throughout the State of Florida. He earned his Bachelor of Science (B.S.B.A) with a concentration in Finance and a Master of Science in Real Estate (M.S.R.E) from the University of Central Florida.

Gary Pascioni *Senior Vice President*

Gary Pascioni is the Senior Vice President of Construction. Mr. Pascioni joined Picerne in 1986. He is responsible for all construction operations, and has successfully completed over 25,000 multifamily units for Picerne including garden style, mid-rise and single family developments in twenty-two states and Puerto Rico. He holds a contractor’s license in Alabama, Florida, Mississippi, New Mexico, South Carolina, Tennessee, Texas and West Virginia. Mr. Pascioni earned a Bachelor degree in Industrial Engineering from State University College.

Development Narrative
Toldeo Place

Executive Summary

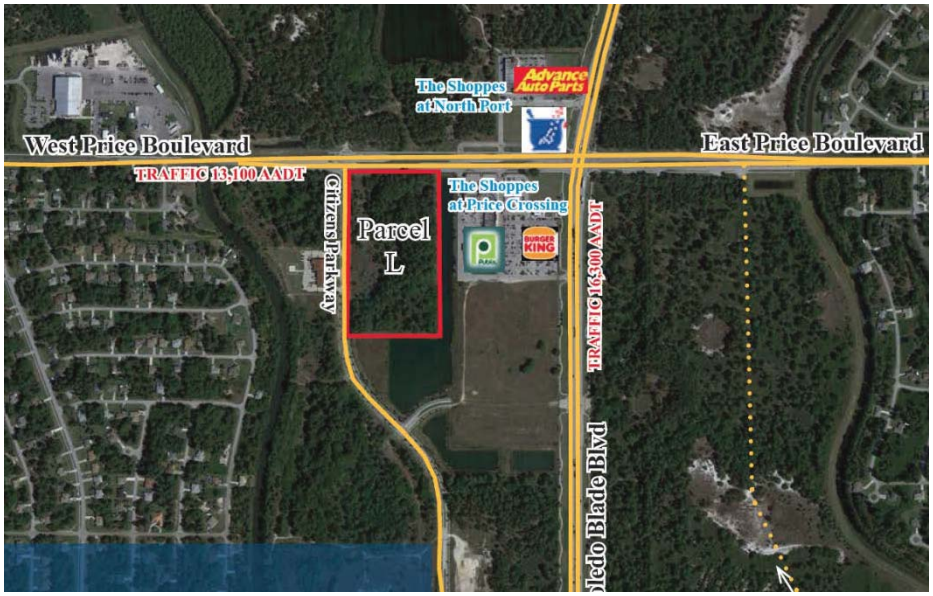
The name of the proposed development is Toledo Place.

The development will be located within Activity Center Number 5 in the southwest quadrant of the intersection of Toledo Blade Boulevard and Price Boulevard in North Port, Florida.

Address: 1191 West Price Boulevard, North Port, 34288
Parcels: A portion of #0984030010 – 12.6+/- Acres
Demographic: Elderly
Unit Mix and Unit Sizes:

One Bedroom: 50 Units, Each between 625 and 670 square feet in size
Two Bedroom: 50 Units, Each between 910 and 970 square feet in size
Total: 100 Units

Site Aerial



Development Narrative
Toldeo Place

Project Summary

Toledo Place is a 100-unit development designated specifically to the elderly demographic in accordance with the Fair Housing Act, Florida Statutes, and other governing rules and regulations.

The Local Government Contribution application and attachments outline a proposed affordable housing development located within the city of North Port, Florida. The proposed development is to accommodate a 100-unit mixed income rental development with 80 units of restricted rental housing utilizing Florida Housing Finance Corporation ("FHFC") 9% competitive Housing Credits. FHFC requires a Local Government Contribution in the amount of $50,000. We are submitting this letter and attached application in hopes of securing the Local Government Contribution in order be eligible for FHFC funding.

The proposed development will consist of one residential building with a first floor lobby with elevator. There will be outdoor community spaces including a pool, cabana and a sizable dog park.

The project will consist of 50 one bedroom, one bath units and 50 two bedroom, two bath units with all the amenities to let someone call it "home." Each unit will have a full kitchen with all full size appliances, storage space, and ample living areas. We propose to set aside 5 one-bedroom units and 5 two-bedroom units as the Extremely Low Income (ELI) units. These units will be floating and will have the same features as the other units in the development.

Some of the units will be handicapped equipped; providing home for even those the most in need. These units will adhere to ADA guidelines and features such as grab bars and roll-in showers.

Building amenities will include but are not limited to a community center, library, and activity room. There will be services provided to enhance the daily life of the residents and make this development a great place to live. These services may include daily activities, literacy training and computer training.

The Florida Housing Data clearinghouse reports that as of 2015 there were 6,381 households at or below 50% AMI in North Port, FL. Of these 6,381 households, 5,952 pay more than 30% of their income towards rent (a staggering 93.3%). Since the LIHTC program serves the population at these income levels and provide a rent structure based around 30% of the income limits, The Pointe at Toledo Village will help alleviate the rent burden for the large number of households who pay more than 30% of their income towards rent.

The project will adhere to all Florida Housing Finance Corporation standards, including, but not limited to the required and optional universal design and visitability features for 9% low-income housing tax credit funding. The development will be constructed to meet the requirements for the National Green Building Standard.

It is anticipated construction will begin December 2017 and will be completed January 2019. Picerne will secure construction loan financing in the amount of $13,600,000. A permanent loan will be secured in the amount of $2,900,000.

The proposed rents are summarized in the on the next page.

*Please note that for site control purposes, North Port Holdings, LLC is an affiliate of the Applicant.

Toledo Place

Rent Schedule

Unit Type	Income Level Served	# of Units (A)	# of Bedrooms	# of Bathrooms	Rentable SF (B)	Max Gross Rent / Unit (C)	Tenant Utility Allowance (D)	Max Net Rent / Unit (C) - (D) = (E)	Proforma Rent / Unit (F)	Total Rent / Month (A) * Min(E), (F)
Rent Restricted										
TC35 (ELI)	35%	5	1	1.0	625	$398	$75	$323	$323	$1,615
TC35 (ELI)	35%	5	2	2.0	910	$478	$85	$393	$393	$1,965
TC60	60%	35	1	1.0	625	$683	$75	$608	$608	$21,280
TC60	60%	35	2	2.0	910	$820	$85	$735	$735	$25,725
Total	--	80	--	--	61,400	$3,372	$320	$3,052	$3,052	$50,585
Wtd Avg (Units)	--	--	--	--	768	$712.31	$80	$632.31	$632.31	--
Wtd Avg (Units)	--	--	--	--	768	$712	$80	$632	$632	--
Market Rate										
MR	n/a	10	1	2	625	$750	n/a	$750	$750	$7,500
MR	n/a	10	2	2	910	$900	n/a	$900	$900	$9,000
MR	n/a	0	0	0	0	$0	n/a	$0	$0	$0
Total Less Emp Unit(s):		100			76,750	7470.05				

EXHIBIT C - DEVELOPMENT SCHEDULE

DEVELOPMENT NAME Toledo Place **APPLICANT** Toledo Place, LP

Activity	Date: Month/Year	City Use Only
Current Year:	**2016**	
Site:		
Option/Contract	10/2016	
Site Acquisition	12/2017	
Zoning Approval	N/A	
Site Analysis	11/2016	
Financing:		
Construction Loan		
Loan Application	08/2017	
Conditional Commitment	10/2017	
Firm Commitment	11/2017	
Permanent Loan		
Loan Application	08/2017	
Conditional Commitment	10/2017	
Firm Commitment	11/2017	
Other Loans & Grants		
Type & Source:	Grant - The City of North Port	
Application	10/16	
Award	12/17	
Other Loans & Grants		
Type & Source:		
Application		
Award		
Other Loans & Grants		
Type & Source:	(describe)	
Application		
Award		
Plans & Specifications:		
Schematics	06/2017	
30% drawings	07/2017	
100% drawings	08/2017	
Closing & Transfer of Property	12/2017	
Construction Start	12/2017	
Completion of Construction	01/2019	
Lease-up	10/2017	
Sustaining Occupancy	01/2019	
Proforma Stabilized Year*	2020	
LIHT Credit Placed-In-Service Date	01/2018	

Will project construction be in phases? ☐ Yes ☒ No

If Yes, please indicate phase below and provide a separate schedule for each phase on separate sheet.

Phase: _____

**** Proforma Stabilized Year (PSY) is the first full year following leaseup with sustaining occupancy.***

Purchase and Sale Agreement
(Vacant Land)

This Purchase and Sale Agreement (the "Agreement") dated as of the Effective Date, as hereinafter defined, by and between:

SELLER	American Momentum Bank One Momentum Blvd. College Station, TX 77845 Telephone: (979) 599-9341 Attention: Julius C. Dunlap, Senior Vice President
BUYER	North Port Land Holdings, LLC a Florida limited liability company 247 N. Westmonte Drive Altamonte Springs, FL 32714 Telephone: (407) 772-0200 Attention: Todd Wind Richard R. Haley

Buyer and Seller shall sometimes be collectively referred to herein individually as a "Party" and collectively as the "Parties".

1. **SALE AND PURCHASE.**

Subject to the terms and provisions of this Agreement, Seller agrees to sell, assign, transfer and convey to Buyer, and the Buyer agrees to purchase from Seller the following:

(a) **Property Description**. The tract of land, situated in Sarasota County, Florida, described on Exhibit "A" attached hereto and by this reference made a part hereof, which shall be deemed to include:

(i) All improvements, appurtenances, licensees, easements, rights-of-way, tenements and hereditaments, if any, incident thereto, if any, and any and all title and interest of Seller in and to all strips and gores and any land lying in the bed of any adjoining street.

(ii) All leases or occupancy agreements for portions of the Property

(iii) All permits, approvals, vested rights or other governmental rights or benefits, if any, specifically associated or related to the above described property.

(b) **Definition**. Unless the context clearly requires otherwise, the property and rights described in subparagraph (a) above, and the subparagraphs thereof, are collectively called the "Property".

2. **PURCHASE PRICE AND PAYMENT**.

In consideration of the conveyance of the Property to Buyer, Buyer shall pay to Seller the sum of One Million Six Hundred Thousand and No/100 Dollars ($1,600,000.00) (the "Purchase Price") payable to Seller as follows:

(a) **First Deposit**. The First Deposit shall be paid to the Escrow Agent, as defined below, within three (3) business days of Buyer's execution of this Agreement. **$10,000.00**

(b) **Second Deposit**. The Second Deposit shall be paid by Buyer to the Escrow Agent on or before 5:00 p.m. Eastern Time on the last day of the date that is five (5) business days after the Inspection Period, as defined below. **$20,000.00**

(c) **Third Deposit.** The Third Deposit shall be paid by Buyer to the Escrow Agent within ten (10) business days after Buyer's receipt from the Florida Housing Finance Corporation ("FHFC") approval of an invitation to credit underwriting which represents a final, non-appealable, written approval for allocation of Low Income Housing Tax Credits ("LIHTC") for Buyer's intended project on the Property. **$30,000.00**

(d) **Cash at Closing**. The balance of the Purchase Price, subject to the adjustments and prorations required by this Agreement, shall be paid by Buyer at Closing in the form of a confirmed wire transfer. **$1,540,000.00**

(e) **Total Purchase Price**. **$1,600,000.00**

(f) **Deposit**. The First Deposit and, if applicable, the Second Deposit and the Third Deposit shall hereinafter be referred to together as the "Deposit". The Deposit may be invested by Escrow Agent in an interest bearing account, but only after Buyer has executed all necessary governmental forms, including a W-9, and delivered such form(s) to Escrow Agent. Any and all interest earned on the Deposit will accrue to the benefit of Buyer and will be reported to Buyer's federal tax identification number. Escrow Agent will have no responsibility in case of failure or suspension of business of the institution holding the Deposit. Interest earned, if any, will be credited to Buyer upon Closing, or in the event of Buyer's default, paid to Seller. At Closing, the Deposit shall be credited for the account of Buyer towards the Purchase Price. Notwithstanding anything to the contrary herein, upon Buyer's delivery of the First Deposit to Escrow Agent, the First Deposit will be refundable to Buyer. Upon Buyer's delivery of the Second Deposit to Escrow Agent, both the First Deposit and the Second Deposit will be refundable to Buyer. Upon Buyer's delivery of the Third Deposit to Escrow Agent, the entire Deposit will be non-refundable to Buyer. Notwithstanding the foregoing, the Deposit will be refundable to Buyer in

the event that (i) the Seller fails, refuses or is unable to perform all of its obligations under this Agreement; (ii) one or more of the Closing Conditions (as hereinafter defined) in favor of the Buyer set forth herein has not been satisfied; or (iii) as otherwise specifically provided in this Agreement.

(g) **Escrow Agent**. The Deposit shall be held by **Broad and Cassel, 390 North Orange Avenue, Suite 1400, Orlando, FL 32801** (the "Escrow Agent") subject to the terms and conditions of Paragraph 17 below. Buyer acknowledges and agrees that Escrow Agent represents Buyer as legal counsel and that it shall not constitute a conflict of interest for Escrow Agent to act as the escrow agent under this Agreement and that, in the event of a dispute between Buyer and Seller, Escrow Agent may continue to represent Buyer in connection with any such dispute and Escrow Agent shall not be disqualified from such representation and such representation shall not constitute a conflict of interest.

(h) **Escrow Deposit**. The Deposit may be invested by Escrow Agent in an interest bearing account, but only after Buyer has executed all necessary governmental forms, including a W 9 and delivered such form to Escrow Agent. Any and all interest earned on the Deposit will accrue to the benefit of Buyer and will be reported to Buyer's federal income tax identification number. Escrow Agent will have no responsibility in case of failure or suspension of business of the institution holding the Deposit. Interest earned, if any, will be credited to Buyer upon Closing, or, in the event of Buyer's default, paid to Seller.

3. PROPERTY CONVEYED "AS IS". EXCEPT AS EXPRESSLY STATED HEREIN, BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE WARRANTY OF TITLE AS SET OUT IN THE SPECIAL WARRANTY DEED, AS DEFINED BELOW), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY THEREOF, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY OR THE TAX CONSEQUENCES OF OWNING SAME, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, OR PROFITABILITY, OF THE PROPERTY (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, OR (H) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. SPECIFICALLY, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE, ZONING OR DEVELOPMENT OF REGIONAL IMPACT LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN, ON, OR UNDER THE PROPERTY OF HAZARDOUS MATERIALS (AS

DEFINED BELOW). BUYER FURTHER ACKNOWLEDGES AND AGREES THAT BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE BUYER OF REAL ESTATE AND HAS BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER AND AT THE CLOSING AGREES TO ACCEPT THE PROPERTY AND WAIVE ALL OBJECTIONS OR CLAIMS AGAINST SELLER (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE PROPERTY OR TO THE PRESENCE OF ANY HAZARDOUS MATERIALS IN, ON, OR UNDER THE PROPERTY. TO THE BEST OF SELLER'S ACTUAL KNOWLEDGE, NO ENVIRONMENTAL COMPLAINT OR DEMAND FOR REMEDIATION PERTAINING TO THE PROPERTY HAS BEEN ISSUED TO, OR RECEIVED BY, SELLER. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER OR SELLER''S AGENT WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, OR OTHER PERSON. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "“AS IS”" CONDITION AND BASIS WITH ALL FAULTS. BUYER UNDERSTANDS AND ACKNOWLEDGES THAT THE PROPERTY WAS ACQUIRED BY SELLER BY FORECLOSURE OR SIMILAR PROCEEDING AND THAT SELLER'S KNOWLEDGE CONCERNING THE HISTORY, CONDITION OR OPERATION OF THE PROPERTY AND THE RIGHTS BEING PURCHASED BY BUYER IS LIMITED AND INCOMPLETE. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING. TO THE EXTENT THAT THE SALE OF THE PROPERTY INCLUDES THE SALE OF ANY INCIDENTAL OR RELATED PERSONAL PROPERTY, SELLER ALSO DISCLAIMS ANY AND ALL WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, CONCERNING THE CONDITION THEREOF INCLUDING, BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER''S INSPECTIONS AND INVESTIGATIONS. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING.

(a) **Hazardous Materials**. The term "Hazardous Materials" shall mean any substance which is or contains (i) any "hazardous substance" as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.) ("CERCLA") or any regulations promulgated under or pursuant to CERCLA; (ii) any "hazardous waste" as now or hereafter defined in the Resource Conservation

and Recovery Act (42 U.S.C. §6901 et. seq.) ("RCRA") or regulations promulgated under or pursuant to RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Laws (as hereinafter defined) or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property, (A) requires reporting, investigation or remediation under Environmental Laws; (B) causes or threatens to cause a nuisance on the Property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Property or adjacent property; or (C) which, if it emanated or migrated from the Property, could constitute a trespass. The term "Environmental Laws" shall mean all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil).

(b) **Release.** Buyer, on behalf of itself and its heirs, successors and assigns hereby waives, releases, acquits and forever discharges Seller its officers, directors, shareholders, employees, agents, attorneys, representatives, and any other persons acting on behalf of Seller, and the successors and assigns of any of the preceding, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Buyer or any of its heirs, successors or assigns now has or which may arise in the future on account of or in any way related to or in connection with any past, present, or future physical characteristic or condition of the Property, including, without limitation, any Hazardous Materials in at, on, under or related to the Property, or any violation or potential violation of any Environmental Requirement applicable thereto (except any violation directly caused by Seller's discharge of Hazardous Materials onto the Property). Notwithstanding anything to the contrary set forth herein, this release shall survive the Closing or termination of this Agreement.

(c) **Closing Condition**. As a condition precedent to Seller's obligation to close the sale and purchase of the Property, the representations and warranties of Buyer set forth in this Section 3 and elsewhere in this Agreement must be true and correct in all material respects at the time of Closing and all of the covenants of Buyer set forth in this Agreement must have been performed in all material respects as of the time of Closing. The conditions set forth in this Section 3 are solely for the benefit of Seller and may be exercised or waived in whole or in part by Seller at or prior to the Closing. If Seller elects to waive the conditions set forth in this Section 3, this Agreement shall continue in full force and effect and the obligations of Seller and Buyer hereunder shall be unaffected by such waiver.

4. **REPRESENTATIONS AND WARRANTIES**.

(a) **Seller's Representations and Warranties**. Seller represents and warrants to Buyer the following as of the Effective Date (unless any such representation and warranty is specifically limited as being made as of the Closing Date, as defined in Section 9.a. below) and, in all material respects, as of the Closing Date:

(i) Seller has the legal power, right and authority to enter into this Agreement and transact business in the State of Florida.

(ii) Seller has the right, power and authority to make and perform Seller's obligations under this Agreement.

(iii) The execution, delivery and performance of this Agreement in accordance with its terms, do not violate any applicable charter or organizational document of Seller.

(iv) This Agreement is a valid and binding obligation of Seller enforceable against Seller in accordance with its terms.

(v) To the best of Seller's knowledge, there are no actions, lawsuits, litigation or other proceeding pending or threatened with respect to the Seller or this transaction.

If prior to Closing Buyer learns that any of Seller's representations and warranties made in this Agreement are not true and correct in any respect and Buyer closes nonetheless, Buyer shall be deemed to have accepted such failure of representation or warranty and Seller shall have no liability with respect thereto.

(b) **Buyer's Representations and Warranties**. Buyer represents and warrants to Seller that:

(i) Buyer is a corporation, incorporated under Florida law, and its status is active.

(ii) Buyer has the right, power and authority to make and perform Buyer's obligations under this Agreement. Each of the persons executing this Agreement on behalf of Buyer represents and warrants that all persons signing on behalf of the Seller were authorized to do so by appropriate limited liability company actions.

(iii) The execution, delivery and performance of this Agreement in accordance with its terms, do not violate any applicable charter or organizational document of Buyer.

(iv) This Agreement is a valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms.

(v) To the best of Buyer's knowledge, there are no actions, lawsuits, litigation or other proceeding pending or threatened with respect to the Buyer or this transaction.

5. **INSPECTION PERIOD**.

(a) **Inspection Period**. Buyer shall have one hundred twenty (120) days from and after the Effective Date in which to conduct engineering, feasibility, zoning, construction, environmental and such other studies and investigations concerning the Property as Buyer desires (the "Inspection Period") during which time Buyer and Buyer's agents may review such matters as Buyer deems appropriate, in Buyer's sole and absolute discretion, to determine the feasibility of the acquisition, development and/or use of the Property for Buyer's intended use of the Property as a low income housing tax credit apartment complex ("Buyer's Use"). During the Inspection Period, Buyer and Buyer's agents, officers, directors, partners, contractors, employees, successors and assigns (collectively, "Buyer's Representatives") shall be provided with full access to the Property as deemed reasonably necessary by Buyer, and Buyer and/or Buyer's Representatives may enter upon the Property for the purpose of soil analysis, core drilling, environmental audit and studies, structural examination and tests, or other studies, tests, examinations and investigations desired by Buyer; provided, however, Buyer and/or Buyer' s Representatives shall not carry out any inspection activities below the surface of the Property (for example, without limitation, subsurface borings for soils tests) without Seller's prior written consent, which consent shall not be unreasonably withheld. Buyer and/or Buyer's Representatives shall give Seller notice of their intent to carry out any inspection activities on the Property at least forty-eight (48) hours prior to commencing each such activity. Any such examinations and investigations conducted by Buyer and/or Buyer's Representatives during the Inspection Period shall not damage the Property in any manner. In the event the Property is damaged, Buyer and/or Buyer's Representatives shall restore the Property to its pre-existing condition to Seller's reasonable satisfaction. Buyer shall cause all persons or entities furnishing materials or services in connection with the inspection rights granted hereunder to be promptly paid and, during the term of this Agreement, Buyer and/or Buyer's Representatives shall keep the Property free from any liens arising out of such inspections. Buyer shall indemnify Seller from and against any liens, loss, damage or expense of any nature (including reasonable attorneys' fees) incurred by Seller as a result of or arising out of or in connection with the activities of Buyer and/or Buyer's Representatives in conducting such examinations and investigations. Buyer and Buyer's Representatives shall keep confidential and not disclose the information or results of any such investigations to any third party except prospective attorneys, contractors and lenders, if any, financing Buyer's acquisition of the Property, the tax credit allocating agency or the necessary agency, prospective investor or other necessary party unless Seller consents otherwise in writing. During the Inspection Period, Seller agrees to reasonably cooperate with Buyer in order that Buyer may conduct a full analysis of the Property and the potential development thereof for Buyer's Use (as defined above). If Buyer determines, in Buyer's sole and absolute discretion, during the Inspection Period that the Property is not suitable to Buyer for Buyer's Use, then no later than 5:00 P.M. Eastern time on the last day of the Inspection Period, Buyer shall notify Seller in accordance with the provisions of Section 15 below that Buyer has elected not to proceed, and upon delivery of such notice the Deposit shall be immediately returned to Buyer.

(b) **Delivery of Materials in Seller's Possession**. To the extent actually in Seller's possession, Seller agrees to deliver, within ten (10) days from the Effective Date of this Agreement, any and all surveys, environmental studies, soil reports, engineering drawings, wetlands delineation/studies, development orders and all previous governmental submissions relating to the Property. Buyer acknowledges and agrees that any and all information as described above or as otherwise delivered to Buyer by Seller or Seller's employees or agents,

will be delivered to Buyer for Buyer's general information only and without certifications, warranty or representation of any kind as to accuracy or usefulness for any purpose.

6. **TITLE INSURANCE**.

(a) **Commitment**. On or before ten (10) days after the Effective Date, Buyer shall obtain, at Buyer's expense, an owner's title insurance commitment (the "Commitment"), in the amount of the Purchase Price issued by First American Title Insurance Company (the "Title Company") through its agent, Broad and Cassel, agreeing to issue to Buyer, upon the recording of the Deed (as defined below), a title insurance policy insuring Buyer's title to the Property, subject only to the Permitted Exceptions, as defined. Seller shall deliver a copy of its existing title policy, as owner and/or lender within three (3) days of the Effective Date. The Commitment and copies of all documents referred to as exceptions to title in the Commitment may be delivered to Buyer electronically.

(b) **Title Defects; Permitted Exceptions**. The Property shall be conveyed subject only to the following described matters (collectively, the "Permitted Exceptions"):

(i) Real estate taxes for the year of Closing and subsequent years; and

(ii) Any other exceptions to title approved or deemed approved by Buyer pursuant to Section 6.c. below.

(c) **Objections to Title**. If any exceptions appear in the Commitment or any matter appears on the Survey (as defined in Section 7 below) which are unacceptable to Buyer (the "Objections"), Buyer shall notify Seller of the Objections in writing (the "Title Notice") within ten (10) calendar days after receipt of the Commitment ("Title Review Period"), and the Objections shall be treated as defect(s) in title. Unless Buyer delivers the Title Notice to Seller within the Title Review Period, it shall be conclusively deemed that Buyer has accepted title to the Property in its then-existing condition, and all exceptions to title shown on the Commitment and on the Survey shall be deemed to be "Permitted Exceptions". The Title Notice shall state which exceptions to the Commitment and/or the Survey (as defined in Section 7 below) are not acceptable to Buyer, and Seller, in its sole and absolute discretion, may elect to attempt to eliminate such exceptions (but has no obligation to do so). If a Title Notice is delivered by Buyer to Seller within the permitted time period, Seller shall have ten (10) days after receipt of the Title Notice to notify Buyer, in writing, of which objectionable title matters Seller will attempt to cure and of which objectionable title matters Seller does not intend to satisfy or cure ("Seller's Notice"). Notwithstanding anything to the contrary contained herein (other than the last sentence of this Section 6.c), Seller shall have no obligation to bring any action or proceeding or otherwise to incur any expense whatsoever to eliminate, modify or cure any of the Objections. If Seller fails to deliver Seller's Notice to Buyer within the time period specified above, then Seller shall be deemed to have elected not to cure any of the Objections. If Seller does not elect to cure all Objections (or is deemed to have elected not to cure the Objections) then, within the later of (i) five (5) days of receipt of Seller's Notice, or (ii) the expiration of the ten (10) day period for Seller to deliver Seller's Notice to Buyer, as applicable, Buyer, at Buyer's option, as its sole and exclusive remedy, may elect either to: (A) close this transaction in accordance with the terms and provisions hereof and accept title in its then existing condition and without adjustment to the

Purchase Price; or (B) terminate this transaction, whereupon the Deposit shall be returned to Buyer, and Seller and Buyer shall be released from any and all further obligations and liabilities arising under or out of this Agreement except for those obligations that expressly survive termination of the Agreement. If, prior to Closing, Seller is unable or unwilling to cure the title defect(s) Seller has elected to cure, Buyer, as its sole and exclusive remedy, shall have the option of either: (a) closing this transaction in accordance with the terms and provisions hereof and accepting title in its then existing condition and without adjustment to the Purchase Price; or (b) terminating this transaction upon notice to Seller, whereupon the Deposit shall be returned to Buyer, and Seller and Buyer shall be released from any and all further obligations and liabilities arising under or out of this Agreement except for those obligations that expressly survive termination of the Agreement. Notwithstanding anything herein that may be construed to the contrary, any mortgages or other monetary liens or encumbrances which are recorded against the Property (other than liens for fees, assessments and other charges not yet due and payable pursuant to the Permitted Exceptions) shall be satisfied or released of record by Seller at or prior to Closing.

(d) **Title and Survey Updates.** At least fifteen (15) days prior to the Closing Date, Buyer may obtain an updated Title Commitment from the Title Company. If the update of the Title Commitment or any update of the Survey reveals any exception or survey defect not reflected on the Title Commitment or the Survey that was not consented to by Buyer, then Seller, at Seller's sole cost and expense, will have such exception promptly deleted from the Title Commitment, or such survey defect removed or cured, and in any event prior to Closing.

7. **SURVEY**.

Buyer shall have the right to have the Property surveyed (the "Survey") during the Title Review Period. If the Survey reveals any of the matters set forth in subsections (a) through (e) below and if any of such matters materially and adversely impair Buyer's use of the Property, then any such matter shall be treated as a title defect and the provisions of Section 6 above shall apply if Buyer delivers written notice of such matter to Seller during the Title Review Period: (a) an encroachment onto adjoining land or into easement areas; (b) an encroachment onto the Property from other property; (c) an improvement that violates a zoning or other governmental use restriction; (d) an improvement that violates any recorded or contract covenant or restriction, or (e) the Property does not have legal access onto a public right of way.

8. **TAX CREDITS APPLICATION**.

(a) **Intended Improvements; Government Approvals**. Buyer's obligation to purchase the Property from Seller is contingent upon Buyer obtaining the final issuance of: (i) all zoning and other governmental approvals from applicable governmental authorities having jurisdiction over the Property, to permit the construction, completion and operation of a multifamily residential project together with related amenities and accessory uses, which includes an allowable density of, not less than two-hundred and seven (207) dwelling units (the "Intended Improvements"); (ii) preliminary site plan approval, for which all appeal periods have expired with no appeal having been filed, for the Intended Improvements from the applicable governmental and regulatory authority(ies); (iii) concurrency and utility approvals; and (iv) any other preliminary governmental and regulatory approvals and/or permits required in connection

with the construction of the Intended Improvements (collectively the "Government Approvals"). Seller agrees to apply for, or join in any and all applications, permits, consents, zoning, land use, concurrency, platting and other permitting, etc., that may be required to be filed in connection with the Government Approvals. Buyer will pay all costs associated with obtaining the Government Approvals. Buyer agrees that Buyer shall use all due diligence from and after the Effective Date of this Agreement to obtain the Government Approvals and shall furnish to Seller, on at least a monthly basis, written evidence of Buyer's efforts to obtain the said Government Approvals which such written evidence shall include, but shall not be limited to, copies of all applications, submissions submitted to applicable governmental authorities together with copies of all responses received pursuant thereto.

(b) **Approvals Deadline**. Final issuance of the Government Approvals will be deemed to occur only when all of the Government Approvals have been issued or granted by the applicable governmental and quasi-governmental boards and agencies, all appeal periods have expired and any appeals filed have been finally and favorably determined. If this condition precedent is not satisfied on or before the deposit of the Third Deposit with the Escrow Agent (the "Approvals Deadline") then Buyer will be entitled (but Buyer will not be obligated) to terminate this Agreement by written notice of termination to Seller. Upon such termination by Buyer, the Deposit will be refunded to Buyer and the parties will be relieved of any further liability under this Agreement, except for those obligations which expressly survive termination of this Agreement. Notwithstanding the foregoing, upon such termination by Buyer, Buyer shall deliver to Seller copies of all of Buyer's applications, submittals, approvals (including, but not limited to, Government Approvals and to any Low Income Housing Tax Credits) or permits, together with all applications pertaining to the Property and/or to the "Intended Improvements".

(c) **Approval Termination Notice**: If either (i) the Government Approvals are not sufficient to allow for the construction of the Intended Improvements or contain unreasonable conditions to approval that are not acceptable to Buyer in its sole discretion or (ii) Buyer fails to obtain the Government Approvals prior to the Approvals Deadline, then Buyer will have the right to terminate this Agreement by providing written notice to Seller ("Approval Termination Notice"). Upon receipt of the Approval Termination Notice, the Deposit will be refunded to Buyer and this Agreement will be terminated and will be null and void without recourse as to either party hereto, except for those obligations that expressly survive the termination of this Agreement.

(d) **Seller Cooperation**. Seller will cooperate with Buyer in performing its due diligence with respect to the Property and in seeking any and all consents, permits or approvals regarding the Property as Buyer may request, provided the Seller shall not be required to incur any cost in doing so, and Seller will promptly join in all applications for building permits, certificates or other agreements, and permits for sewer, water or other utility services, other instruments or other permits or approvals, the granting of or entry into which, by any governmental or quasi-governmental authority having jurisdiction over the Property, is, in Buyer's reasonable opinion, necessary to permit the development, construction, use or occupancy of the Intended Improvements, provided the Seller shall not be required to incur any cost in doing so. Seller will not remove any fill or cause any change to be made to the condition of the Property without the prior written consent of Buyer.

(e) **FHFC; LIHTC**. Buyer intends to submit an application to Florida Housing Finance Corporation ("FHFC") for Low Income Housing Tax Credits ("LIHTC") on or before the application deadline established by FHFC, subject to change based upon the FHFC determination. Buyer agrees that Buyer shall use all due diligence in submitting the aforesaid application and in providing all information required by FHFC in connection therewith. Buyer shall furnish to Seller, on at least a monthly basis, written evidence of such efforts by Buyer. If Buyer determines, prior to depositing the Third Deposit with the Escrow Agent, that the LIHTC application submitted by Buyer either will not or has not been successful in obtaining an allocation of LIHTC in an amount sufficient to construct the Intended Improvements, then Buyer will be entitled (but Buyer will not be obligated) to terminate this Agreement by providing written termination notice to Seller and upon such termination by Buyer, the Deposit will be refunded to Buyer and the parties will be relieved of all further liability under this Agreement, except for those obligations which expressly survive termination of this Agreement.

9. **CLOSING**.

(a) **Closing**. The closing (the "Closing") shall be held at 10:00 a.m. on November 30, 2017 (the "Closing Date"), unless the parties mutually agree upon another time or date. Closing shall take place at the offices of Buyer's Counsel or such other place as the parties may agree. Notwithstanding the foregoing, the Parties agree that Buyer may extend the Closing Date for three (3) consecutive periods of sixty (60) days each (individually referred to herein as a "Closing Extension") upon the payment to Seller of Five Thousand and No/100 Dollars ($5,000.00) for each such Closing Extension. If the Buyer elects to so extend the Closing Date, the Closing shall take place within thirty (30) days following the last day of the last permitted Closing Extension. The foregoing fees for each Closing Extension shall be non-refundable to Buyer, provided, however, that if Closing does not occur due to a breach of this Agreement by Seller or failure of any applicable Closing Condition and this Agreement is thereupon terminated by Buyer, such Closing Extension fees shall be returned to Buyer together with the Deposit. The Deposit and each Closing Extension fee shall be otherwise credited towards the Purchase Price at Closing.

(b) **Possession**. Possession of the Property shall be delivered to Buyer at the Closing, subject to the Permitted Exceptions.

(c) **Proration of Taxes and Other Expenses and Profits**. At Closing, pro-rations of income and expense and the apportionment of taxes shall be as follows:

(i) Real estate and personal property taxes and other assessments with respect to the Property for the year, in which the Closing occurs, shall be prorated as of the date of Closing.

(ii) If the Closing shall occur before the tax rate or the assessed valuation of the Property is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation, with full discounts applied. Subsequent to the Closing, the parties agree that there shall be no adjustment of such taxes.

(iii) Notwithstanding the provisions of this Subsection 9.c, with respect to special assessments that are paid in installments, Seller shall be responsible for all installments due as of the date of Closing, and Buyer shall be responsible for all installments payable on or after the date of Closing.

(d) **Insurance**. Any insurance coverage maintained by Seller shall not be prorated at Closing. On the day following Closing, Seller shall have the right to cancel any existing policy of insurance and receive a full refund of all unearned premiums. Buyer shall solely responsible for obtaining such new insurance coverage for the Property as Buyer deems appropriate.

(e) **Service Contracts**. Seller shall cancel all service contracts, if any, affecting the Property unless Buyer has assumed responsibility therefore.

(f) **Survival of Paragraph**. The agreements of Seller and Buyer set forth in this Paragraph shall survive the Closing.

10. **CLOSING COSTS**.

Unless otherwise set forth herein or in any addendum attached hereto, the closing costs associated with this transaction shall be paid as follows:

Seller shall pay:

(a) The documentary stamps to be attached to the Deed.

(b) The cost of curing any title conditions subject to the provisions of this Agreement.

(c) Seller's attorney fees.

Buyer shall pay:

(a) The cost of the Owner's Title Insurance Commitment and Policy, including all search fees and premiums relating thereto.

(b) The recording fee required to record the Deed.

(c) The cost of the Survey referenced in Section 7 above.

(d) All financing costs and fees associated with the closing of any loan obtained by Buyer.

(e) The cost of all Mortgagee Title Insurance Policies or Endorsements required by Buyer's lender.

(f) The costs of all due diligence inspections and reports obtained by Buyer.

(g) Buyer's attorney fees.

11. **CLOSING DOCUMENTS, OBLIGATIONS AND CLOSING CONDITIONS**

(a) **Seller's Obligations at the Closing**. At the Closing, Seller shall deliver to Buyer the following documents, as applicable:

(i) **Deed**. Special Warranty Deed (the "Deed") executed by Seller conveying the Property to Buyer subject to no exceptions other than the Permitted Exceptions.

(ii) **FIRPTA Affidavit**. An affidavit of Seller certifying that Seller is not a "foreign person," as defined in the Federal Foreign Investment in Real Property Tax Act of 1980, and the 1984 Tax Reform Act, as amended.

(iii) **Owner's Affidavit**. An executed affidavit or other document acceptable to the Title Company in issuing the Owner's Policy without exception for possible lien claims of mechanics, laborers and materialmen or for parties in possession, as applicable, to permit the Title Company to delete the "gap" in the Commitment.

(iv) **Assignment of Governmental Permits and Approvals**. An Assignment of Governmental Permits and Approvals executed by Seller assigning all of Seller's right, title and interest, if any, in and to all governmental approvals, consents, permits, waivers and impact fees or density credits specifically related to the Property.

(b) **Buyer's Obligations at the Closing**. At the Closing, Buyer shall deliver to Seller the following:

(i) **Purchase Price**. The Purchase Price by confirmed wire transfer of immediately available U.S. funds;

(ii) **Evidence of Authority**. Such consents and authorizations as Seller may reasonably deem necessary to evidence authorization of Buyer for the purchase of the Property, the execution and delivery of any documents required in connection with Closing and the taking of all action to be taken by the Buyer in connection with Closing; and

(iii) **Other Documentation**. Such other documents as may be reasonable and necessary in the opinion of the Seller or its counsel to consummate and close the purchase and sale contemplated herein pursuant to the terms and provisions of this Agreement.

(c) **Closing Conditions**. Buyer’s obligation to close this transaction will be subject to the satisfaction of each of the following conditions on or before the Closing Date (the "Closing Conditions"):

(i) Seller will not be in default under any term, covenant or condition of this Agreement, and will have performed all of its covenants, agreements and obligations under this Agreement.

(ii) Each of the representations and warranties of Seller set forth in this Agreement will be true, complete and correct on the Effective Date and at the date of the Closing as if made at that time, and the Seller will have delivered its certificate to such effect.

(iii) Buyer obtains all Government Approvals (as defined herein).

(iv) Successful completion of the Inspection Period and Buyer's acceptance of all issues deriving from the Inspection Period.

(v) Buyer will have received an award of LIHTC funds from FHFC sufficient to construct the Intended Improvements.

(vi) Buyer will have received the applicable and necessary site plan and zoning approval for the Buyer's Use of the Property.

(vii) There will not be a sewer, water, building or other moratorium, condemnation or any proceedings, either in effect which would interfere with the immediate construction and occupancy of Buyer's Intended Improvements ("Moratorium").

(viii) The Property has not been damaged by any casualty, including, but not limited to toxic waste, fire, flood, and sinkhole, or by any environmental matter.

(ix) At the Closing, the Title Insurance Company will irrevocably commit to issue to Buyer an ALTA Owner's Policy of title insurance, dated as of the date and time of the recording of the deed, in the amount of the Purchase Price, insuring Buyer as owner of good, marketable and indefeasible fee simple title to the Property, free and clear of liens and encumbrances, and subject only to the Permitted Exceptions (the "Title Policy").

(x) Sole and exclusive possession of the Property will be delivered to Buyer at Closing.

Closing Conditions 11(c)(iii) – (vi) herein will be deemed to have been satisfied upon the deposit of the Third Deposit with the Escrow Agent. In the event that Closing Conditions 11(c)(i) – (ii) and (vii) – (ix) have not been satisfied as of the Closing Date, Buyer will have the right to waive any or all of the foregoing conditions and close this transaction or Buyer will have the right to terminate the Agreement, and in such event, notwithstanding anything to the contrary herein, the Deposit, all interest earned thereon and any Closing Extension fee will be refunded to Buyer and neither party will have any further rights or obligations hereunder, except those obligations which survive termination of the Agreement. If at the time of Closing, there is a Moratorium in effect with respect to the Property as described herein, then at Buyer's option (by written notice to Seller): (i) this Agreement will be terminated and in such event the Deposit will be refunded to Buyer and neither party will have any further rights or obligations hereunder, except those obligations which survive termination of the Agreement; or (ii) Buyer may proceed to Closing.

12. **RISK OF LOSS**.

(a) **Condemnation**. If, prior to the Closing, action is initiated to take any of the Property by eminent domain proceedings or by deed in lieu thereof, Buyer may either (a) terminate this Agreement by written notice to Seller delivered to Seller within ten (10) days following the date that Seller delivers to Buyer written notice of such proposed taking, or (b) consummate the Closing, in which latter event the award of the condemning authority shall be assigned to Buyer at the Closing.

(b) **Casualty**. Seller assumes all risks and liability for damage to or injury occurring to the Property by fire, storm, accident, or any other casualty or cause until the Closing has been consummated.

13. **DEFAULTS**.

(a) **Breach by Seller.** If Seller breaches this Agreement, Buyer may, as Buyer's sole and exclusive remedy hereunder, either: (i) have all remedies available at law or (ii) prior to the date that is ten (10) days following the original scheduled or mutually agreed upon extended Closing Date, bring an action for specific performance of this Agreement. Notwithstanding, the above provisions of this Section 13.a, it is expressly provided, however, that Buyer shall provide Seller with written notice of any breach hereunder which notice shall provide Seller with a ten (10) day grace period within which to cure any breach of which notice has been given or, with respect to a non-monetary breach, such longer period of time as is reasonably necessary to cure the breach if the nature of the breach is such that it cannot be cured within the ten (10) day grace period and Seller is diligently and continuously prosecuting such cure to completion but, in no event, longer than thirty (30) days; provided, however, that notwithstanding the foregoing there shall be no notice requirement or curative opportunity in the event the breach is a failure by Seller to close the transaction contemplated by this Agreement on the Closing Date,

(b) **Breach by Buyer.** If Buyer breaches this Agreement, Seller may, as Seller's sole remedy and relief hereunder, terminate this Agreement and thereupon be entitled to receive the Deposit and all Closing Extension fees as liquidated damages (and not as a penalty). Seller and Buyer have made the above provision for liquidated damages because it would be difficult to calculate, on the date hereof, the amount of actual damages for such breach, and that these sums represent reasonable compensation to Seller for such breach. Notwithstanding the above provisions of this Section 13.b, it is expressly provided, however, that Seller shall provide Buyer with written notice of any breach hereunder which notice shall provide Buyer with a ten (10) day grace period within which to cure any breach of which notice has been given or, with respect to a non-monetary breach, such longer period of time as is reasonably necessary to cure the breach if the nature of the breach is such that it cannot be cured within the ten (10) day grace period and Buyer is diligently and continuously prosecuting such cure to completion but, in no event, longer than thirty (30) days; provided, however, that notwithstanding the foregoing there shall be no notice requirement or curative opportunity in the event the breach is a failure by Buyer to timely pay the First, Second or Third Deposit or to close the transaction contemplated by this Agreement on the Closing Date.

(c) **Return/Delivery of Deposit.** In the event the Deposit is returned to the Buyer, as provided in subparagraph 13.a, above, or otherwise pursuant to this Agreement, or delivered to the Seller, as provided in subparagraph 13.b above, upon the return or delivery of the same, the parties hereto shall have no further rights, obligations or liabilities with respect to each other hereunder, except for the obligations specifically required to survive closing or termination of this Agreement as set forth herein.

14. **OPERATIONS PENDING CLOSING**.

From the Effective Date of this Agreement until the Closing or earlier termination of this Agreement, Seller shall keep and maintain the Property in substantially the same condition as of the date of this Agreement, reasonable wear and tear excepted.

15. **NOTICES**.

All notices which are required or permitted to be given by either Party to the other under this Agreement, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed to be have been given, delivered or made, as the case may be (notwithstanding lack of receipt by the addressee): (i) upon hand delivery to the intended recipient; (ii) three (3) business days after having been deposited in the United States Mail, certified or registered, return receipt requested, addressed to the intended recipient at the address specified herein; (iii) one (1) business day after having been deposited for overnight delivery with a nationally recognized expedited, overnight delivery service (such as by way of example but not limitation, FedEx or UPS), addressed to the intended recipient at the address specified herein; (iv) upon delivery of a facsimile transmission which is confirmed on the sender's facsimile machine as having been sent to the recipient at the proper telecopy number, addressed to the intended recipient at the address specified herein or (v) upon delivery by electronic or digitally scanned copy stored in an electronic or digital format (e.g., ".pdf" or ".tft" format), which preserves the graphical or pictorial appearance of the original and delivered by electronic or digital means, such as electronic mail, so that the same may be printed in a tangible format, which shall be deemed an original for all purposes; provided that, notice given pursuant to (iv) or (v) shall be followed by notice via (i), (ii) or (iii) to be effective. Notice given in any other manner shall be effective only upon actual receipt by the intended recipient, except for notice of exercise of any right of termination which may only be given in the manner provided in subsections 15(i) through 15(v) above. Any notice sent as required by this Section 15 and refused by recipient shall be deemed delivered as of the date of such refusal. For purposes of this Section 15, the addresses of the Parties for all notices are as set forth in the Preamble of this Agreement (unless changed by similar notice in writing given by the particular person whose address is to be changed). Furthermore, it is agreed that, if any Party hereto is represented by legal counsel, such legal counsel is authorized to deliver written notice directly to the other Party or the other Party's counsel on behalf of his or her client, and the same shall be deemed proper notice hereunder if delivered in the manner hereinabove specified.

16. **BROKERAGE**.

Seller and Buyer warrant each to the other (and it is agreed that this warranty shall survive delivery of the deed) that no broker or agent has been employed with respect to the sale of the Property except Colliers International (the "Broker(s)"). Each party agrees to indemnify and hold harmless the other from any claim made by brokers or agents who claim to act for the party sought to be charged for a commission, compensation, brokerage fees, or similar payment in connection with this transaction and against any and all expense or liability arising out of any such claim. Seller shall pay the commission owed to Broker, pursuant to a separate listing of commission agreement, only as, when and if the sale is closed, but not otherwise.

17. **ESCROW AGENT**.

The Escrow Agent shall hold the Deposit in accordance with this Agreement. In receiving and maintaining the Deposit, Escrow Agent shall be deemed to be acting only as a stake holder and shall have no liability for any loss or damage or for the improper delivery of such funds, except where such loss or damage is the result of Escrow Agent's willful misconduct or gross negligence. Escrow Agent may reasonably rely upon the written or oral directions of the Parties without verifying the accuracy thereof. Escrow Agent shall not be responsible for any defaults hereunder by any Party. Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by Escrow Agent hereunder in good faith and in accordance with the opinion of such counsel. In the event of an actual or potential dispute as to the rights of the Parties hereto under this Agreement, the Escrow Agent may in its sole discretion, continue to hold the Deposit until the Parties mutually agree to the release thereof, or until a judgment of a court of competent jurisdiction shall determine the rights of the Parties thereto, or it may deposit any monies and all instruments held pursuant to this Agreement in the court registry and the Parties agree to indemnify Escrow Agent from any costs and fees associated therewith, and upon notifying all parties concerned of such action, all liability on the part of the Escrow Agent shall fully terminate, except to the extent of an account of any monies theretofore delivered out of escrow. All Parties agree that Escrow Agent shall not be liable to any Party or person whomsoever for any action taken or omitted by Escrow Agent unless due to willful misconduct or gross negligence on the part of the Escrow Agent. All of the terms and conditions in connection with Escrow Agent's duties and responsibilities and the rights of Seller, Buyer and any lender or anyone else, are contained in this instrument, and the Escrow Agent is not required to be familiar with the provisions of any other instrument or agreement, and shall not be charged with any responsibility or liability in connection with the observance or non-observance by anyone of the provisions of any other such instrument or agreement. Escrow Agent may rely and shall be protected in acting upon any paper or other document which may be submitted to Escrow Agent in connection with its duties hereunder and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof. Escrow Agent shall not be required to institute or defend any action or legal process involving any matter referred to herein which in any manner affects it or Escrow Agent's duties or liabilities hereunder unless or until required to do so by the Buyer or Seller, and then only upon receiving full indemnity in an amount and of such character as Escrow Agent shall require, against any and all claims, liabilities, judgments, attorneys' fees and other expenses of every kind in relation thereto, except in the case of Escrow Agent's own willful misconduct or gross negligence. Escrow Agent shall not be bound in any way or affected by any notice of any modification, cancellation, abrogation or rescission of this Agreement, or any fact or circumstance affecting or alleged to affect the rights or liabilities of any other persons, unless Escrow Agent has received written notice satisfactory to Escrow Agent signed by all Parties to this Agreement.

18. **RADON**.

RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND

RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT. THIS DISCLOSURE IS REQUIRED BY FLORIDA LAW TO BE CONTAINED IN ALL CONTRACTS FOR SALE OR LEASE OF BUILDINGS.

19. **REGULATORY CONTINGENCY**.

Notwithstanding anything herein to the contrary, the obligations of the Seller under this Agreement shall be subject to and contingent upon the following:

(a) Buyer (and any assignee of Buyer) must be, and must remain, in compliance with the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation, regulations or executive orders relating thereto, and the Uniting and Strengthening America By Providing Appropriate Tools Required To Intercept and Obstruct Terrorism Act (USA Patriot Act of 2001), as amended, and any other enabling legislation, regulations or executive orders relating thereto;

(b) Buyer must be, and must remain, incompliance with 31 U.S.C., Section 5313, as amended, 31 C.F.R Section 103.22, as amended, and any similar laws or regulations involving currency transaction reports or disclosures relating to transactions in currency of more than $10,000.00, or of more than any other minimum amount specified by any laws or regulations; and

(c) Neither Buyer nor any assignee of Buyer is or shall be, as of the Closing Date (i) a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or arte otherwise associated with any such person in any manner violative of Section 2, or (iii) a person or entity on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

20. **MISCELLANEOUS**.

(a) **Entire Agreement**. This Agreement embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter hereof, which are not expressly set forth herein.

(b) **Amendment**. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

(c) **Headings**. The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

(d) **Time of Essence**. TIME IS OF THE ESSENCE OF THIS AGREEMENT; however, if the final date of any period which is set out in any provision of this Agreement falls

on a Saturday, Sunday or legal holiday under the laws of the United States or the State of Florida, then, in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

(e) **Governing Law**. This Agreement shall be governed by the laws of the State of Florida and the laws of the United States pertaining to transactions in such State. All of the parties to this Agreement have participated freely in the negotiation and preparation hereof; accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.

(f) **Successors and Assigns; Assignment**. This Agreement shall bind and inure to the benefit of Seller and Buyer and their respective heirs, executors, administrators, personal and legal representatives, successors and assigns. Buyer shall have the right to assign this Agreement without the prior written approval of Seller, to an entity in which the majority controlling and ownership interests are identical to the majority and controlling interests of Buyer, both as of the date of any such assignment and as of Closing. Except therefore, Buyer shall not have the right to assign this Agreement without the prior written approval of Seller. No assignment of this Agreement by Buyer shall relieve Buyer of Buyer's obligations of performance under this Agreement.

(g) **Invalid Provision**. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

(h) **Attorneys' Fees**. In the event it becomes necessary for either party hereto to file suit to enforce this Agreement or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided herein, reasonable attorneys' fees, paralegal fees and cost incurred in such suit at trial, appellate, bankruptcy and/or administrative proceedings.

(i) **Multiple Counterparts**. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart executed by the party to be charged.

(j) **Date of this Agreement**. This Agreement shall not be effective unless signed by both Buyer and Seller. As used in this Agreement, the term "Effective Date" shall mean and refer to the date of execution of the last of Buyer or Seller to execute this Agreement.

(k) **Relation to Seller/Prior Owner**. Buyer represents and warrants that neither Buyer nor any of its principals or any entity owned or controlled by Buyer or any of its principals or any entity in which the Buyer or any of its principals has a legal or equitable ownership interest in is affiliated in any manner with Seller or any entity owned or controlled by Seller or any entity in which Seller has a legal or equitable ownership interest.

(l) **Confidentiality**. Buyer agrees to treat all information obtained during the Inspection Period (and any information supplied by Seller to Buyer) as confidential, subject to the requirements of law and this Agreement. Buyer may, however, share such confidential information with Buyer's employees, brokers, partners, members, attorneys, accountants and other consultants, local governments, lenders, investors, FHFC and such other parties necessary to accomplish Buyer's Governmental Approvals.

(m) **Recording**. Neither this Agreement nor any memorandum hereof may be recorded in the Public Records of the county in which the Property is located.

(n) **Survival**. Except for the provisions herein, the terms of which expressly survive Closing or termination, the terms and conditions of this Agreement and any warranties and representations made herein shall not survive the Closing hereof and the delivery of the Deed and other related documents.

(o) **Further Assurances**. In addition to the acts recited in this Agreement to be performed by Seller and Buyer, Seller and Buyer agree to perform or cause to be performed at the Closing or after the Closing any and all such further acts as may be reasonably necessary to consummate the transaction contemplated hereby. This provision shall survive the Closing or Termination of this Agreement.

21. **BACK-UP OFFERS**.

From and after the Effective Date, Seller is permitted to continue to market the Property to prospective buyers, and is also permitted to seek or accept back-up offers for the purchase of the Property. However, the afore-stated sentence does not permit the Seller to enter into a binding contract, agreement, option, instrument or other document for the purchase/sale of the Property prior to the termination of this Agreement. Should there be a default of the Buyer hereunder that would permit the Seller to terminate this Agreement, no termination shall be effective unless and until the Buyer has had the opportunity to cure as set forth herein.

22. **WARRANTIES AND REPRESENTATIONS**.

The Buyer acknowledges that the Property was formerly owned by Florida Landmasters (the "Former Borrower"), subject to security instruments owned and held by Seller or Seller's predecessor in interest, given as security for an indebtedness owed by the Former Borrower to Seller or Seller's predecessor in interest. Reference to the Former Borrower shall include any and all guarantors of the indebtedness. The Buyer acknowledges, warrants and represents that: (i) Buyer is not a family member or business associate of the Former Borrower, and does not otherwise share any business interest with the Former Borrower; (ii) Buyer is not (and has never been) a member, manager, officer, director, shareholder, partner, agent or employee of the Former Borrower; (iii) there are no arrangements or agreements between Buyer and the Former Borrower, or any other person or entity, whether written or unwritten, express or implied, that would permit the Former Borrower, or if the Former Borrower is an entity, any of the Former Borrower's members, managers, officers, directors or shareholders (or any person or entity related to any of the foregoing), to have or obtain any right, title, interest, option, tenancy, or right of use or possession of, any or all of the Property, or to regain any of the foregoing interest

foregoing warranties and representations. Buyer's refusal to execute the foregoing Affidavit at closing shall be a default hereunder by Buyer.

Buyer represents and warrants to Seller as true on the Effective Date, and on the Closing Date, that neither Buyer nor any of its principals or partners, is now, or has at any time in the past: (i) been, a defendant in any litigation involving Seller, American Momentum Bank (or any subsidiary or affiliated entity of Seller) (each, a "Seller Party"); (ii) been subject to a judgment in favor of any Seller Party, and (iii) had any arrangements or agreements concerning the Property with any person or entity that has been a defendant in any litigation with any Seller Party or that is subject to any judgment in favor of a Seller Party. If any of the foregoing representations or warranties are not true at any time, then that shall be a default by Buyer and Seller shall have the right to exercise the Seller's remedies described in Section 13 of this Agreement. The foregoing representations and warranties shall be included in the Buyer's Affidavit and/or the Closing Memorandum to be executed by the Buyer at Closing according to the prior paragraph of this Agreement. For the purposes hereof, the term "Buyer" shall be deemed to include any assignee of Buyer as may be permitted pursuant to Section 13 hereof.

23. **ACCEPTANCE**.

The offer by the first party to execute this Agreement to sell or buy the Property shall terminate unless this Agreement is accepted and executed by the other party on or before October 14, 2016.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the Buyer and Seller have executed this Agreement as of the Effective Date.

Signed, sealed and delivered in the presence of:

WITNESSES:

George R. Allen
Print Name

George R. Allen
Print Name

SELLER:

American Momentum Bank

By: _____
William R. Falzone, as Exec. Vice President

Date: 10/14/16

WITNESSES:

_____
Print Name

_____
Print Name

BUYER:

North Port Land Holdings, LLC, a Florida limited liability company

By: _____
Print Name: Robert M. Picerene
Title: _____

Date: _____

IN WITNESS WHEREOF, the Buyer and Seller have executed this Agreement as of the Effective Date.

Signed, sealed and delivered in the presence of:

WITNESSES:

_____
Print Name

_____
Print Name

SELLER:

American Momentum Bank

By:_____
William R. Falzone, as Exec. Vice President

Date:_____

WITNESSES:

Michèle L Vice
Print Name

Todd Wind
Print Name

BUYER:

North Port Land Holdings, LLC, a Florida limited liability company

By:_____
Print Name: Robert M. Picerene
Title: Manager

Date: 10/14/16

JOINDER OF ESCROW AGENT

Broad and Cassel has joined in the execution of this Agreement in order to acknowledge its agreement to act as Escrow Agent in accordance with the terms and provisions of this Agreement.

Broad and Cassel

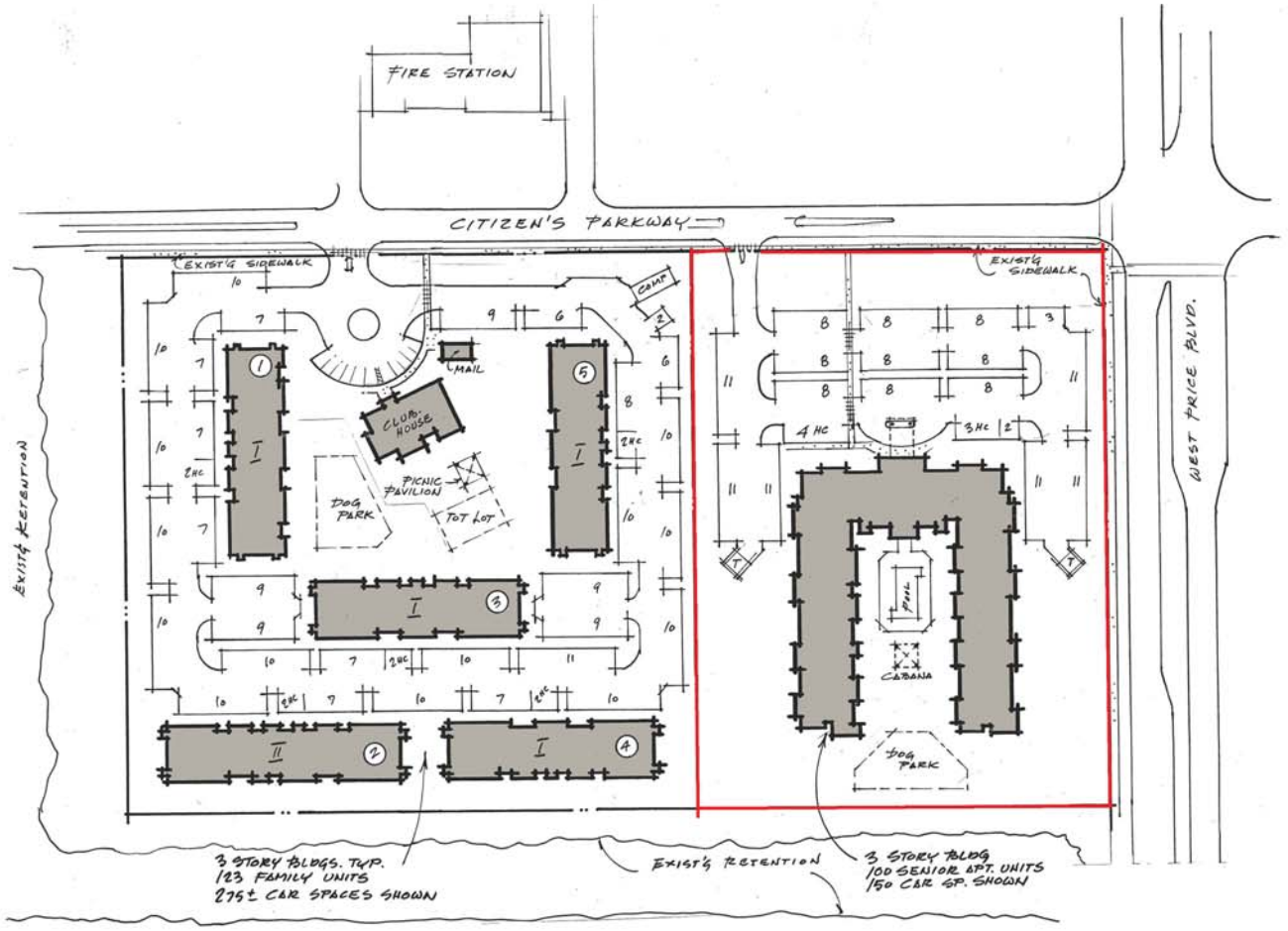
Dated: October ____, 2016

EXHIBIT "A

Tract A, less R/W for Price Boulevard, as described in Official Records Instrument #2008038421 Price Commerce Park, as per plat thereof recorded in Plat Book 46, Pages 45 and 45A, of the Public Records of Sarasota County, Florida.

Parcel ID #0984030010

The Property actually contains 12.6 acres, more or less, by virtue of a Quit Claim Deed to The North Port Road and Drainage District in 2008.



FORUM

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407-830-1400 • www.ForumArchitecture.com • AA002731

Conceptual Site Plan

TOLEDO PLACE SENIORS & THE POINTE AT PRICE CROSSING

60' 30' 0 60' 120'

12 OCT 2016 ▪ North Port, FL

PICERNE DEVELOPMENT
CORPORATION
247 N. Westmonte Drive
Altamonte Springs, FL 32714
Tel. (407)772-0200 Fax (407)772-0222

3. 8 Schematic Drawings

Conceptual elevations have been provided and project specific floor plans will be provided at preliminary site plan approval.

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Conceptual Building Elevations

TOLEDO PLACE SENIORS

12 OCT 2016 • North Port, FL

PICERNE DEVELOPMENT
CORPORATION
247 N. Westmonte Drive
Altamonte Springs, FL 32714
Tel. (407)772-0200 Fax (407)772-0222

Toledo Place

Development Budget

Development Cost	Category	Historical Basis?	Total	% Eligible	Eligible Acquistion Cost (1)	Construction Basis (2)	Non-Eligible Depr / Amort (3)	Funded Expense (4)	Historic Basis (Y or N)	Other (6)
Acquisition Costs										
Land Acquisition	6	N	1,600,000	100%	--	--	--	--	--	1,600,000
Building Acquisition	1	Y	-	100%	--	--	--	--	0	--
Other Acquisition Costs	3	N	-	100%	--	--	--	--	--	--
Construction Costs										
Hard Costs										
Direct Construction Costs	2	Y	9,900,000	99%	--	9,751,500	--	--	0	148,500
General Conditions	2	Y	594,000	100%	--	594,000	--	--	0	--
General Contractor Fee	2	Y	594,000	100%	--	594,000	--	--	0	--
Construction Overhead	2	Y	198,000	100%	--	198,000	--	--	0	--
Construction Contingency	2	N	-	100%	--	--	--	--	--	--
Demolition	2	N	-	0%	--	--	--	--	--	--
Soft Costs					--	--	--	--	--	--
Architect	2	Y	250,000	100%	--	250,000	--	--	0	--
Engineering	2	N	130,000	100%	--	130,000	--	--	--	--
Building Permits & Impact Fees	2	N	1,183,101	100%	--	1,183,101	--	--	--	--
NAHB Green Certification	2	Y	80,000	100%	--	80,000	--	--	0	--
Builders Risk/ Hazard & Liability Insurance	2	Y	30,000	100%	--	30,000	--	--	0	--
Construction Financing				100%	--	--	--	--	--	--
Construction Loan Interest	2	N	366,782	70%	--	256,747	--	--	--	110,035
Origination Fee	2	N	136,000	70%	--	95,200	--	--	--	40,800
Closing Costs & Due Diligence Fee	2	N	50,000	100%	--	50,000	--	--	--	--
Permanent Financing Costs										
Lender Fees	6	N	29,000	100%	--	--	--	--	--	29,000
Construction Period Lender Inspections	6	N	21,600	100%	--	--	--	--	--	21,600
Third Party Updates	4	N	20,000	100%	--	--	--	20,000	--	--
Soft Funds Financing Costs										
Origination Fee	2	N	-	100%	--	--	--	--	--	--
Interest Expense	2	N	-	50%	--	--	--	--	--	--
LIHTC Costs										
Application Fee	3	N	3,000	100%	--	--	3,000	--	--	--
Compliance Fee	6	N	195,500	100%	--	--	--	--	--	195,500
Reservation Fee	3	N	-	100%	--	--	--	--	--	--
Underwriting Fee	3	N	11,341	100%	--	--	11,341	--	--	.
Adminstrative Fee &TEFRA Fee	6	N	120,788	100%	--	--	--	--	--	120,788
Lease Up Costs										
Marketing	6	N	85,000	100%	--	--	--	--	--	85,000
Working Capital & Lease Up Deficit	6	N	172,186	100%	--	--	--	--	--	172,186
Third Party Costs										
Accounting	2	N	20,000	100%	--	20,000	--	--	--	--
Organization Costs	6	N	5,000	100%	--	--	--	--	--	5,000
General Legal	2	N	100,000	50%	--	50,000	--	--	--	50,000
Title & Recording	2	N	100,000	85%	--	85,000	--	--	--	15,000
Boundary/ Topo/ Tree Survey	2	N	15,000	100%	--	15,000	--	--	--	--
Environmental reports	2	N	10,000	100%	--	10,000	--	--	--	--

Appraisal	2	N	8,000	100%	--	8,000	--	--	--	--
Soil Borings	2	N	10,000	100%	--	10,000	--	--	--	--
Traffic Study	2	N	8,000	100%	--	8,000	--	--	--	--
Market Study	2	N	8,000	100%	--	8,000	--	--	--	--
Zoning	2	N	-	100%	--	--	--	--	--	--
Syndicator Closing Costs	2	N	65,000	0%	--	--	--	--	--	65,000
Real Estate Taxes	2	N	37,500	50%	--	18,750	--	--	--	18,750
					--	--	--	--	--	--
Title Insurance	2	N	100,000	100%	--	100,000	--	--	--	--
					--	--	--	--	--	--
Furniture, Fixtures & Equipment	2	N	100,000	100%	--	100,000	--	--	--	--
Reserves										
Taxes, Insurance & RR Fund	6	N	-	100%	--	--	--	--	--	--
Operating Deficit Reserve	6	N	359,372	100%	--	--	--	--	--	359,372
Working Capital Reserve	6	N	-	0%	--	--	--	--	--	--
					--	--	--	--	--	--
Development Contingency	2	N	173,540	100%	--	173,540	--	--	--	--
Total Dev Costs Less Acquisition			**$15,289,710**		**$0**	**$13,818,838**	**$14,341**	**$20,000**	**$0**	**$1,436,531**
Developer Fee										
0% Overhead	2	N	-		0	0	--	--	--	--
16% Profit	2	N	2,361,088		0	2,361,088	--	--	--	--
TOTAL DEVELOPMENT COSTS			**$19,250,798**		**$0**	**$16,179,926**	**$14,341**	**$20,000**	**$0**	**$3,036,531**

Toledo Place

Cash Flow Proforma

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
PROPERTY CASH FLOWS	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**
Income															
Gross Potential Rent	805,020	821,120	837,543	854,294	871,380	888,807	906,583	924,715	943,209	962,073	981,315	1,000,941	1,020,960	1,041,379	1,062,207
Other Income	43,117	43,980	44,859	45,757	46,672	47,605	48,557	49,528	50,519	51,529	52,560	53,611	54,683	55,777	56,893
Gross Income	848,137	865,100	882,402	900,050	918,051	936,412	955,141	974,243	993,728	1,013,603	1,033,875	1,054,552	1,075,643	1,097,156	1,119,099
Less: Vacancy	(42,407)	(43,255)	(44,120)	(45,003)	(45,903)	(46,821)	(47,757)	(48,712)	(49,686)	(50,680)	(51,694)	(52,728)	(53,782)	(54,858)	(55,955)
Less: Collection Loss	(8,481)	(8,651)	(8,824)	(9,001)	(9,181)	(9,364)	(9,551)	(9,742)	(9,937)	(10,136)	(10,339)	(10,546)	(10,756)	(10,972)	(11,191)
Effective Gross Income	797,249	813,194	829,458	846,047	862,968	880,228	897,832	915,789	934,105	952,787	971,842	991,279	1,011,105	1,031,327	1,051,953
Expenses															
Real Estate Taxes	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794	103,818	106,932	110,140	113,444
Insurance	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	64,159	66,084	68,067
General & Administrative	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757	55,369	57,030	58,741	60,504
Management fee	39,862	41,058	42,290	43,559	44,866	46,212	47,598	49,026	50,497	52,011	53,572	55,179	56,834	58,539	60,296
Payroll & Taxes	135,000	139,050	143,222	147,518	151,944	156,502	161,197	166,033	171,014	176,144	181,429	186,872	192,478	198,252	204,200
Utilities	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952	124,581	128,318	132,168	136,133
Repairs & Maintenance	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794	103,818	106,932	110,140	113,444
General Misc	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,852	2,937	3,025
Total Expenses	501,862	516,918	532,426	548,399	564,851	581,796	599,250	617,228	635,744	654,817	674,461	694,695	715,536	737,002	759,112
Net Operating Income	295,387	296,276	297,032	297,649	298,118	298,431	298,582	298,561	298,360	297,970	297,381	296,584	295,569	294,325	292,841
Reserves for Replacement	(30,000)	(30,900)	(31,827)	(32,782)	(33,765)	(34,778)	(35,822)	(36,896)	(38,003)	(39,143)	(40,317)	(41,527)	(42,773)	(44,056)	(45,378)
Cash Avail for Debt Service	265,387	265,376	265,205	264,867	264,352	263,653	262,761	261,665	260,357	258,827	257,064	255,057	252,796	250,269	247,464
1st Mortgage Debt Svc Cov	**1.42**	**1.42**	**1.42**	**1.42**	**1.41**	**1.41**	**1.41**	**1.40**	**1.39**	**1.38**	**1.38**	**1.36**	**1.35**	**1.34**	**1.32**

Toledo Place

Summary Sources & Uses

		TOTAL
SOURCES OF FUNDS		
LIHTC Equity, Federal		16,155,384
Permanent First Mortgage		2,900,000
Impact Fee Credit		0
LG Loan		50,000
Deferred Developer Fee		145,414
Total Sources of Funds		**19,250,798**
USES OF FUNDS		
Acquisition Costs		1,600,000
Construction Costs		
Direct Costs	9,900,000	
General Conditions	594,000	
General Contractor Fee	594,000	
Overhead	198,000	
Contingency	0	
Total Construction Costs		11,286,000
Architectural & Engineering		380,000
Other Soft Costs		1,293,101
Construction Financing Costs		552,782
Permanent Financing Costs		70,600
Soft Funds Financing Costs		0
LIHTC Costs		330,629
Leaseup & Third Party Costs		606,186
Taxes & Insurance		137,500
FF&E		100,000
Developer Fee		2,361,088
Reserves & Soft Cost Contingency		532,912
Total Uses of Funds		**19,250,798**
Excess Sources/(Financing Gap)		**0**