

# PICERNE DEVELOPMENT CORPORATION OF FLORIDA

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

October 12<sup>th</sup>, 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 – The Pointe at Toledo Village, 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 123-unit mixed income rental development with 99 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 to 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

# **THE POINTE AT TOLEDO VILLAGE**

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 Village, 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? [X] Yes [ ] No

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

1.3 Please check appropriate Applicant type:

[ ] Individual [ ] For-Profit Entity [ ] Non-Profit Entity
[X] 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 \*
[X] 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 The Pointe at Toledo Village

Development Address Sun Market PL 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	_____	Matuerty 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 requirements will be triggered. Developers, Consultants, Contractors, and Subcontractors must be cleared from State and Federal Suspended 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

10/14/16  
Date

Co-Sponsor Signature

10/14/16  
Date



October 11, 2016

FLORIDA DEPARTMENT OF STATE  
Division of Corporations

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

The Certificate of Limited Partnership of TOLEDO VILLAGE, LP, a Florida limited partnership or limited liability limited partnership, was filed on October 10, 2016 and assigned document number A1600000549. Please refer to this number whenever corresponding with this office.

This document was electronically received and filed under FAX audit number H16000249953.

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: 116A00021859

**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.

(((H16000249953 3)))



H160002499533ABC6

**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 Village, LP**

Certificate of Status	<b>0</b>
Certified Copy	<b>0</b>
Page Count	<b>02</b>
Estimated Charge	<b>\$1,000.00</b>

**CERTIFICATE OF LIMITED PARTNERSHIP  
OF  
TOLEDO VILLAGE, LP**

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

1. The name of the Partnership shall be Toledo Village, 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 VILLAGE 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 VILLAGE GP, LLC,** a Florida limited liability company

By: \_\_\_\_\_

Robert M. Picerne, Manager

**ACKNOWLEDGEMENT OF REGISTERED AGENT**

Having been designated as the Registered Agent for **TOLEDO VILLAGE, 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: *Amy Berletti*  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**AMY BERTELETTI  
VICE PRESIDENT**

Dated this 6<sup>th</sup> day of October, 2016.

# *State of Florida*

## *Department of State*

I certify from the records of this office that TOLEDO VILLAGE, LP is a limited partnership organized under the laws of the State of Florida, filed on October 10, 2016.

The document number of this limited partnership is A16000000549.

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 Twelveth day of October, 2016*



*Ken DeJoy*  
*Secretary of State*

Tracking Number: CU4382726782

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. Francesese*



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 21, 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  
 STATE  
 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.")

<u>Class</u>	<u>Number of Shares</u>
<u>Class A Common</u>	<u>15</u>
_____	_____
_____	_____

**FILED**  
**SEP 23 2004**  
 By [Signature] 95426

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 [Signature]  
 President or  Vice President (check one)

By [Signature] **AND** [Signature]  
 Secretary or  Assistant Secretary (check one)

STATE OF RHODE ISLAND  
COUNTY OF Kent

In Kent County, on this 20<sup>th</sup> 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.

Katherine A. Hawley  
Notary Public  
My Commission Expires: September 16, 2005

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:

- The legal name of the applicant business corporation, limited liability company or limited partnership is:  
Picerne Investment Corporation
- The fictitious business name to be used is Pilgrim Land Developers, Inc.
- The state or territory under the laws of which it is incorporated, organized or formed is Rhode Island
- The date of incorporation, organization or formation is April 20, 1951
- If a business corporation, the address of its registered office within Rhode Island is \_\_\_\_\_  
1500 Fleet Center Providence, RI 02903
- If a business corporation, the business in which it is engaged \_\_\_\_\_  
Real estate investment and management
- 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

RECORDED  
DEC 21 1999  
BY 235730

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

66, WJ 85 8 17 200  
STATE OF RHODE ISLAND  
CORPORATIONS DIVISION

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")

<u>Class</u>	<u>Number of Shares</u>
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")

<u>Class</u>	<u>Number of Shares Voted</u>	
	<u>For</u>	<u>Against</u>
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, 19 88.

PICERNE INVESTMENT CORPORATION

By Luad P. P. P.

Its President

and Glenn M. Rose

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.

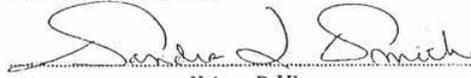
3.2. "Special Preferred Redemption Price" shall mean an amount equal to the sum of the par value of a preferred share plus (i) all dividends declared thereon prior to the Conversion Date but unpaid through the redemption date and (ii) all dividends thereon accrued and unpaid on or after the Conversion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

STATE OF RHODE ISLAND

COUNTY OF Providence } Sc.

At First 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.



Notary Public

My Commission Expires  
June 30 1991

(NOTARIAL SEAL)

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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~~ ✓

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

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")

<u>Class</u>	<u>Number of Shares</u>
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")

<u>Class</u>	<u>Number of Shares Voted</u>	
	<u>For</u>	<u>Against</u>
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

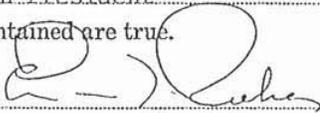
By [Signature]  
 Its President  
 and [Signature]  
 Its Secretary

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

} Sc.

At Cranston in said county on this 30<sup>th</sup> 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

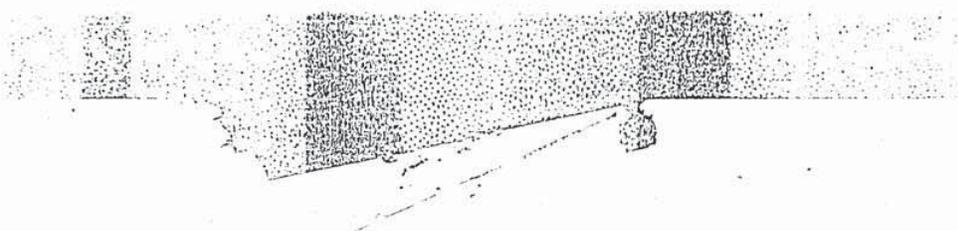
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PICERNE INVESTMENT CORPORATION  
.....

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")

Class	Number of Shares Voted	
	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 Corporation.

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 [Signature]  
 Its President  
 and [Signature]  
 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

.....\*06.....5500  
H-28 8534A14.....55008L

DEC 29 1978

*me*

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	Total Voted For	Total Voted Against	Number of Shares		
			Entitled to Vote as a Class		
			Class	Voted For	Voted Against
PICERNE INVESTMENT CORPORATION	45	-0-	Common	45	-0-
" " "	450	-0-	Preferred	450	-0-
WOODRIDGE INVESTMENT CORPORATION	475	-0-	Common	475	-0-
" " "	1,050	-0-	Class B Common	1,050	-0-
" " "	300	-0-	Preferred	300	-0-
MEADOWBROOK CORP.	625	-0-	Common	625	-0-
" " "	1,000	-0-	Preferred	1,000	-0-
PILGRIM 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, 1978  
 MEADOWBROOK CORP.  
 By Donald McKenna  
 Its President  
 and Gloria M. Rassi  
 Its Secretary  
 PILGRIM LAND DEVELOPERS, INC.  
 By Donald McKenna  
 Its President  
 and Gloria M. Rassi  
 Its Secretary

PICERNE INVESTMENT CORPORATION  
 By Donald McKenna  
 Its President  
 and Gloria M. Rassi  
 Its Secretary  
 WOODRIDGE INVESTMENT CORPORATION  
 By Donald McKenna  
 Its President  
 and Gloria M. Rassi  
 Its Secretary

PLAN OF MERGER

Agreement and Plan of Merger dated this 31<sup>st</sup> 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 be 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 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:

PICERNE INVESTMENT CORPORATION

Gloria M. Rossi  
Secretary

By: Donald P. Picerno  
President

Attest:

WOODRIDGE INVESTMENT CORPORATION

Gloria M. Rossi  
Secretary

By: Donald P. Picerno  
President

Attest:

MEADOWBROOK CORP.

Gloria M. Rossi  
Secretary

By: Donald P. Picerno  
President

Attest:

PILGRIM LAND DEVELOPERS, INC.

Gloria M. Rossi  
Secretary

By: Donald P. Picerno  
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 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 WOODRIDGE INVESTMENT CORPORATION, \*, that he signed the foregoing document as such President of ~~the~~ <sup>said corporations</sup> each of ~~the~~ <sup>corporations</sup>, and that the statements therein contained are true.

Margaret D. Farrell  
Notary Public

My Commission Expires  
June 30, 1981

EADOWBROOK CORP. and  
ILGRIM LAND DEVELOPERS, INC.

(NOTARIAL SEAL)

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9312 9496A14.....50.008L

MAR 31 1978

*See also...*

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. 1954, the following amendment(s) to the Articles of Association (or Charter) ~~xxx(x)~~ 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(x)~~ Articles to read as follows, viz:—

~~"Article No. x"~~

"Article No.

**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.

(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 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.

117  
Article No.

"Article No.

[CORPORATE SEAL]

ATTEST:

*Romeo S. Piccone*

President (or Vice-President)

*Romeo S. Piccone 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. Blakes*

Notary Public

BUSINESS

ORIGINAL

CERTIFICATE OF AMENDMENT OF  
ARTICLES OF ASSOCIATION OR  
CHARTER OF

PIERRE 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 kinds and descriptions, to subscribe or cause to be subscribed for, and to purchase or otherwise acquire, hold, own, investments, deeds, 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)

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 the 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, shall 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 received 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 20<sup>th</sup> day of APRIL A.D. 1951

<p><i>Christopher Del Sesto</i>  <i>Edward V. Healey, Jr.</i>  <i>Edith K. Contente</i></p>	<p>RESIDENCE (No. Street, City or Town)          5 Wingate Road, Providence, R.I.          138 Wesleyan Ave., Providence, R.I.          81 Sycamore St., Providence, R.I.</p>
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STATE OF RHODE ISLAND      City of PROVIDENCE  
 In the County of PROVIDENCE  
 in said county this 20<sup>th</sup> day of APRIL A.D. 1951  
 then personally appeared before me CHRISTOPHER DEL SESTO, EDWARD V. HEALEY, JR.  
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 W. L. ...*  
 Notary Public

(BUSINESS CORPORATION)

ORIGINAL

ARTICLES OF ASSOCIATION OF  
PICERNE INVESTMENT  
CORPORATION

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE

APR 20 1951



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

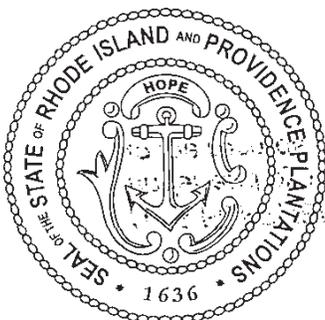
IT IS FURTHER CERTIFIED that as of this date said corporation is duly organized and existing under and by virtue of the laws of the State of Rhode Island and is in good standing according to the records of this office.

SIGNED AND SEALED ON

Monday, August 22, 2016

Secretary of State

Authorized Agent



## **1.7**

### **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 B - QUALIFIED DEVELOPMENT TEAM CONTACT INFORMATION**

**DEVELOPMENT NAME** The Pointe at Toledo Village **APPLICANT** Toledo Village, 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**

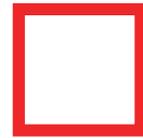
Picerne Construction Corporation  
Address: 247 N. Westmonte Drive  
Altamonte Springs FL, 32714 Website: www.picernerealestategroup.com  
Principal(s): Robert M. Picerne  
Contact Person: Todd M. Wind Email Address: twind@picernefl.com  
Telephone Number: 407-772-0200 Fax Number: 407-772-0220

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

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

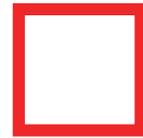
### Corporate Address:

745 Orienta Avenue ■ STE 1121  
Altamonte Springs, FL 32701  
P:407.830.1400 ■ F:407.830.4143  
[www.ForumArchitecture.com](http://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.

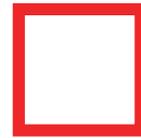
University of Florida  
*Masters Degree in Architecture*

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.

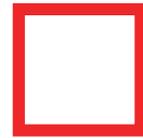
**Jeffrey Chue** joined Forum in 1999, and has since worked primarily on multifamily projects specializing in wood construction. He believes in and passionately promotes the idea that architecture incorporates the whole process of creating great design, finely detailing and realizing it in a well constructed 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 Programming  
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

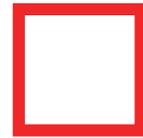
## Special Services

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.

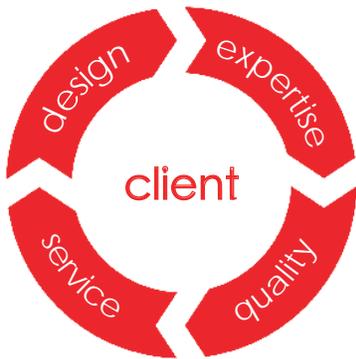
# Corporate Philosophy



## 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, 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 management 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

## Toledo Village

### Executive Summary

The name of the proposed development is The Pointe at Toledo Village.

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

Address: 0 Sun Market Place, North Port, 34288

Parcels: #0984070085 – Tract C-2 – 15.56+/- AC

#0984070080 – Tract C-1 – 2.57+/- AC

Demographic: Family

Unit Mix and Unit Sizes:

Two Bedroom: 60 Units, Each between 1,100 and 1,200 square feet in size

Three Bedroom: 63 Units, Each approximately 1,325 square feet in size

Total: 123 Units

### Site Aerial



# Development Narrative

## Toledo Village

### Project Summary

The Pointe at Toledo Village is a 123-unit development designated specifically to the family 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 123-unit mixed income rental development with 99 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 to be eligible for FHFC funding.

The proposed development will consist of eight residential buildings with a clubhouse. There will be outdoor community spaces including a fenced play area ("Tot Lot"), a 20-foot by 20-foot picnic pavilion and a sizable dog park.

The project will consist of 60 two bedroom, two bath units and 63 three 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 6 two-bedroom units and 7 three-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. In addition, an afterschool program for children will be provided to the residents at no additional charge.

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 \$17,100,000. A permanent loan will be secured in the amount of \$6,513,000.

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.



## The Pointe at Toledo Village

### 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)
<b>Rent Restricted</b>										
TC35 (ELI)	35%	6	2	2.0	1,100	\$488	\$85	\$403	\$403	\$2,418
TC35(ELI)	35%	7	3	2.0	1,325	\$563	\$100	\$463	\$463	\$3,241
TC60	60%	42	2	2.0	1,100	\$837	\$85	\$752	\$752	\$31,584
TC60	60%	44	3	2.0	1,325	\$966	\$100	\$866	\$866	\$38,104
Total	--	99	--	--	120,375	\$3,847	\$370	\$3,477	\$3,477	\$75,347
Wtd Avg (Units)	--	--	--	--	1,216	\$853.81	\$93	\$761.08	\$761.08	--
Wtd Avg (Units)	--	--	--	--	1,216	\$854	\$93	\$761	\$761	--
<b>Market Rate</b>										
MR	n/a	12	2	2	1,100	\$900	n/a	\$900	\$900	\$10,800
MR	n/a	12	3	2	1,325	\$1,050	n/a	\$1,050	\$1,050	\$12,600
MR	n/a	0	0	0	0	\$0	n/a	\$0	\$0	\$0
Total Less Emp Unit(s):		123			149,475	7470.05				



EXHIBIT C - DEVELOPMENT SCHEDULE

DEVELOPMENT NAME  APPLICANT

Activity	Date: Month/Year	City Use Only
Current Year:	2016	
<b>Site:</b>		
Option/Contract	10/2016	
Site Acquisition	12/2017	
Zoning Approval	N/A	
Site Analysis	11/2016	
<b>Financing:</b>		
<b>Construction Loan</b>		
Loan Application	08/2017	
Conditional Commitment	10/2017	
Firm Commitment	11/2017	
<b>Permanent Loan</b>		
Loan Application	08/2017	
Conditional Commitment	10/2017	
Firm Commitment	11/2017	
<b>Other Loans &amp; Grants</b>		
Type & Source:	Grant - The City of North Port	
Application	10/16	
Award	12/17	
<b>Other Loans &amp; Grants</b>		
Type & Source:		
Application		
Award		
<b>Other Loans &amp; Grants</b>		
Type & Source:	(describe)	
Application		
Award		
<b>Plans &amp; Specifications:</b>		
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

3, 2016 (the "Effective Date") and is made by and between **TOLEDO PRICE PLAZA LLC**, a Florida limited liability company ("Seller"), and **TOLEDO VILLAGE, LP**, a Florida limited partnership, or its assigns ("Buyer").

### RECITALS

- A. Seller is the owner and holder of: certain real property comprised of approximately 18.13 acres located at the SEC of Toledo Blade Boulevard and Price Boulevard, North Port, Sarasota County, Florida, 34288 with a parcel identification numbers of 0984070080, and 0984070085, as more particularly described on the Exhibit "A" attached hereto (collectively, the "Property").
- B. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, pursuant to the terms and conditions set forth herein.

### AGREEMENT

**NOW, THEREFORE**, for good and valuable consideration, and the mutual covenants set forth in this Agreement, Seller and Buyer hereby agree as follows:

1. **Purchase and Sale.** Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase the Property from Seller. The Property includes all of Seller's right, title and interest in and to (i) all easements, rights of way, privileges, licenses, appurtenances and any other rights, privileges and benefits belonging to the owner of, running with title to, or in any way related to, the Property; (ii) all land use or other consents, authorizations, variances, waivers, licenses, permits, approvals, development orders, or any other entitlements issued or granted by or from any governmental authority with respect to the Property; (iii) all percolation, soil, topographical, traffic, engineering and environmental reports or studies in the possession or control of the Seller, and all riparian, littoral rights, title to submerged lands and other water rights related to or benefiting the Property; (iv) all utility mains, service laterals, hydrants, connections, hook-ups and valves located on, or adjacent to, and servicing or available to service the Property; and (v) any and all other agreements, contracts, covenants, variances and rights, benefits and privileges related to or benefiting the Property.
2. **Purchase Price.** The purchase price for the Property ("Purchase Price") is TWO MILLION FOUR HUNDRED FIFTY-THREE THOUSAND AND NO/100 DOLLARS (\$2,453,000.00), subject to the credits, prorations, and adjustments set forth herein. The Purchase Price is payable as follows:
  - a. **First Deposit.** Within three (3) business days after the Effective Date, Buyer will deliver to Broad and Cassel, as escrow agent ("Escrow Agent"), the sum of Ten Thousand and No/100 Dollars (\$10,000.00) by check or wire transfer (the "First

Deposit”). The First deposit will be held by Escrow Agent in an interest bearing account, to be disbursed only in accordance with the terms of this Agreement. The First Deposit will be refundable to Buyer unless otherwise specifically provided in this Agreement.

- b. Second Deposit. If Buyer has elected to proceed with this transaction following the Inspection Period (as hereinafter defined), then within five (5) business days after the expiration of the Inspection Period, Buyer will deliver to Escrow Agent the sum of Ten Thousand and No/100 Dollars (\$10,000.00) by check or wire transfer (“Second Deposit”). The Second Deposit will be held by Escrow Agent in the same interest bearing account as the First Deposit. The Second Deposit will be refundable to Buyer unless otherwise specifically provided in this Agreement.
- c. Third Deposit. Within ten (10) business days after Buyer’s receipt from the Florida Housing Finance Corporation Board (“FHFC”) approval of an invitation to credit underwriting which represents a final, non-appealable, written approval for an allocation of LIHTC (as hereinafter defined) for Buyer’s intended project on the Property, Buyer will deliver to Escrow Agent the sum of Fifty-Five Thousand and No/100 Dollars (\$55,000.00) by check or wire transfer (“Third Deposit”). The Third Deposit will be held by Escrow Agent in the same interest bearing account as the First Deposit and the Second Deposit. The First Deposit, Second Deposit and the Third Deposit, to the extent delivered to the Escrow Agent, are sometimes collectively referred to as the “Deposit”). The Third Deposit will be non-refundable to Buyer unless otherwise specifically provided in this Agreement.
- d. Non-Refundable Deposits. 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 but excluding a failure or refusal of Seller to close, in accordance with the terms hereof, due to Buyer's failure to provide the necessary funds as required; (ii) one or more of the Closing Conditions (as hereinafter defined) in favor of the Buyer set forth herein has not been satisfied or waived by Buyer; or (iii) as otherwise specifically provided in this Agreement.
- e. Balance. The Deposit will be applied to the Purchase Price at Closing (as hereinafter defined), and Buyer will pay to Seller the balance of the Purchase Price, subject to credits, adjustments and prorations as herein provided, by in each case by wire transfer of immediately available funds.

- f. Escrow Deposit. The Deposit will 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 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. Title Insurance/Survey.

- a. Title. Buyer confirms receipt of a copy of Seller's Owner's Title Policy for the parent tract of the land of which the Property is a part (Fidelity National Insurance Company Policy Number 2730609-8357697 with an effective date of April 3, 2012). Within fifteen (15) days following the Effective Date, Buyer, at Buyer's expense, will obtain an owner's title insurance commitment (the "Title Commitment") from First American Title Insurance Company (the "Title Company") through Broad and Cassel as title agent ("Title Agent"). Marketable title will be determined according to the Title Standards adopted by authority of The Florida Bar and in accordance with Florida law. The legal description of the Property contained in the Title Commitment shall include any off-site easements which benefit the Property. The Title Commitment shall be accompanied by true, complete and legible copies of all documents creating or evidencing any exception to title noted in the Title Commitment. The Title Commitment shall evidence the requirements subject to which Title Company will insure in Buyer good and marketable record fee simple title to the Property, free and clear of all liens, encumbrances, exceptions or qualifications to title whatsoever except for the Permitted Exceptions, as such term is hereinafter defined.
- b. Survey. Seller will provide any existing surveys that Seller possesses prior to the re-platting of the land but Buyer will obtain an updated survey of the Property. Buyer, at Buyer's expense, may obtain during the Inspection Period a survey of the Property identifying (i) total acreage, (ii) any areas within a flood zone, (iii) wetlands, (iv) any easements, rights of way or other encroachments, and, (v) following delivery of the Title Commitment to the surveyor, all of the plottable exceptions to the Title Commitment (the "Survey"). Buyer, at Buyer's expense, will obtain any updates to the Survey that Buyer deems reasonable or necessary.
- c. Title and Survey Objections. Buyer will have until the end of the Inspection Period, to examine the condition of Seller's title to the Property (the "Title Review Period"). If the Title Commitment or the Survey reflects that title to the Property is subject to any exceptions or other survey matters unacceptable to Buyer, Buyer will notify Seller in writing prior to the expiration of the Title Review Period of any defects (the "Title Objections"). Any exceptions listed in the Title Commitment to which Buyer has not timely objected will be deemed to be "Permitted Exceptions." Except as otherwise provided for herein, Seller will

not be obligated to cure the Title Objections. Seller shall respond in writing to the Title Objections within ten (10) days of receipt, addressing which Title Objections if any, Seller agrees to endeavor to remove. If Seller does not agree to endeavor to remove all Title Objections, or Seller is not successful in correcting or removing the Title Objections within thirty (30) days following Seller's agreement to endeavor to do so, Buyer will have the option of (i) allowing Seller additional time to cure the Title Objections, (ii) accepting the title in its existing condition, or (iii) terminating this Agreement by sending written notice of termination to Seller and Escrow Agent. If Buyer elects to terminate this Agreement, Escrow Agent will return the Deposit to Buyer, and, thereafter, neither Buyer nor Seller will have any further liabilities or obligations hereunder except with respect to those obligations which expressly survive termination. If Buyer does not elect to terminate this Agreement, then those Title Objections that Seller did not agree to or was unable to cure will be Permitted Exceptions, except as otherwise provided for herein.

- 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. If Seller is not successful in removing the same, Buyer will have the option of (i) allowing Seller additional time to cure such defects, (ii) accepting the title in its existing condition, or (iii) terminating this Agreement by sending written notice of termination to Seller and Escrow Agent. In the event that Buyer elects to terminate this Agreement, Escrow Agent will return the Deposit to Buyer. Notwithstanding anything else to the contrary in this Agreement, in the event Seller fails to remove an exception revealed in the Title Commitment, or any update thereof (whether or not objected to by Buyer), in the form of: (1) a mortgage or other security interest entered into by Seller; (2) a lien or encumbrance of any kind or nature voluntarily created by Seller at any time on or after the date of this Agreement; or (3) a mechanic's or materialman's lien or a judgment docketed against the Property, in any case resulting from the non-payment by Seller of any sums alleged to be due and owing by Seller to a contractor or materialman or otherwise voluntarily caused or created by Seller, then in addition to the return of the Deposit, Buyer will be entitled to recover from Seller all third party costs incurred by Buyer, including reasonable attorneys' fees and costs, in connection with this Agreement and the Property. The foregoing items shall not be deemed Permitted Exceptions.

4. Inspection Period. During a period commencing on the Effective Date and continuing through 11:59 p.m. on that date which is ninety (90) days following the Effective Date (the "Inspection Period"), Buyer will have the right to inspect, review and examine all aspects of the Property as Buyer deems appropriate in its discretion.

- a. Access and Deliverables. During the Inspection Period, Seller hereby grants to Buyer and its agents, employees, contractors and representatives, a right of entry upon every portion of the Property, and a right to examine all records, documents, data or information of any kind or nature relating to or concerning the Property in the possession or under the control of Seller or other matters pertaining to the Property (and Seller hereby agrees to make any and all records, documents, data or information of any kind or nature relating to or concerning the Property in the possession or under the control of Seller available to Buyer) from time to time at all reasonable times for the purpose of making surveys, engineering studies, drainage studies, appraisals, zoning and land use studies, impact studies, surface and subsurface explorations, tests, excavations, borings and such other investigations, inspections, assessments or reports as Buyer, in its sole and absolute discretion, may elect to make. Seller will deliver to Buyer, within five (5) days after the Effective Date, copies of any and all surveys (in CADD format, if available), engineering, environmental, soil, wetlands determinations, zoning, land use, appraisal and feasibility studies, reports and assessments, concurrency evaluations, any plans and specifications for the Property approved by the local building department having jurisdiction over the Property, which Seller has in its possession or control (collectively, "Plans and Specs"), and any correspondence concerning any such topics that Seller has in its possession or control, and all other governmental orders, approvals, building plans, exemptions, waivers, permits, licenses, special exceptions or variances relating to the Property or any proposed use thereof which are in Seller's possession or control. Seller will also deliver to Buyer, within five (5) days after the Effective Date, legible copies of all leases, service contracts, operating agreements, rental agreements, use agreements, management agreements and warranties relating to or concerning the Property.
- b. Liability and Indemnity. Buyer will promptly pay when due all vendors retained by Buyer in connection with Buyer's investigation of the Property and will not permit any lien to encumber the Property. Buyer assumes liability for all acts of its agents who enter onto the Property and agrees to indemnify and hold harmless the Seller from any loss, damage, cost or expense incurred by Seller as a result of such acts of Buyer and its agents that cause injury to persons or damage to the Property. Buyer and any third party consultant retained by Buyer shall have adequate liability insurance coverage (minimum \$1,000,000 per occurrence and \$2,000,000 in the aggregate) and provide Seller with a certificate of insurance evidencing the same. The obligations of Buyer pursuant to this paragraph will expressly survive the termination of this Agreement or the Closing, as the case may be.
- c. Termination. Notwithstanding any provision in this Agreement to the contrary, at any time on or before the end of the Inspection Period, Buyer may, without liability to Seller and for any reason or no reason whatsoever, terminate this Agreement by written notice to Seller and Escrow Agent, following which

Escrow Agent will promptly return the First Deposit to Buyer; and upon such termination, both parties will be released from all further obligations or liability under this Agreement except for those obligations which expressly survive termination.

- d. Continuing Property Access. If Buyer has not terminated this Agreement, as provided herein, the right of entry and investigation granted herein will continue unabated through Closing.

5. **Government and FHFC Approvals.**

- 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 low-income housing tax credit multifamily residential project together with related amenities and accessory uses, which includes an allowable density of no less than two-hundred twenty-three (223) 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 reasonable and documented costs associated with obtaining the Government Approvals and if this Agreement terminates, Buyer will withdraw any applications that were filed with respect to the requested Government Approvals. 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.
- 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 November 30, 2017 (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 all further liability under this Agreement, except for those obligations which expressly survive termination of this Agreement.

- 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. Reserved for future use.
- e. FHFC; LIHTC. Buyer intends to submit an application to FHFC for Low Income Housing Tax Credits ("LIHTC") on or before the application deadline established by FHFC, subject to change based upon FHFC's determination. If Buyer determines 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.

6. Covenants of Seller: Operation of the Property. Seller hereby covenants and agrees that from and after the Effective Date:

- a. Seller will not, without the Buyer's prior written consent, create any encumbrances on the Property, except for monetary encumbrances that will be discharged or paid in full by Seller at Closing. For purposes of this provision the term "encumbrances" includes, but is not limited to, any liens, claims, options, or other encumbrances, encroachments, rights-of-way, easements, covenants, conditions or restrictions.
- b. Seller will not enter into or record any document or instrument, or enter into any lease or other agreement, affecting or burdening the Property, unless Buyer has consented in writing to the execution or recordation of such document, instrument, lease or agreement.
- c. Seller will pay all assessments and taxes pertaining to the Property prior to becoming delinquent.

- d. Seller will not create or consent to the creation of any special taxing districts or associations with the authority to impose taxes, liens or assessments on the Property.
- e. Seller will not remove any fill or cause any change to be made to the physical condition of the Property without the prior written consent of Buyer, such consent not to be unreasonably withheld, conditioned or delayed but in all accounts considering Buyer's Intended Improvements
- f. Seller will take no action with respect to the Property that would alter or affect any of the representations or warranties of Seller under this Agreement or which would in any manner materially adversely affect Buyer's Intended Improvements.
- g. Seller will cause all mortgage debt applicable to the Property to remain in good standing through and until the Closing.
- h. If applicable, Seller will provide Buyer and the Title Company with any and all approvals from any lenders to sell the Property for less than the balance owed to such lender.

7. **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:

- a. 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.
- b. 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.
- c. Buyer obtains the final issuance of Government Approvals.
- d. Successful completion of the Inspection Period and Buyer's acceptance of all issues deriving from the Inspection Period.
- e. Buyer will have received an award of LIHTC funds from FHFC sufficient to construct the Intended Improvements.
- f. Buyer will have received a loan commitment in writing from a lender of Buyer's choice committing to provide financing to Buyer in an amount sufficient to construct the Intended Improvements.
- g. Buyer will have received the applicable and necessary site plan and zoning approval for the Intended Use of the Property.

- h. 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").
- i. 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.
- j. Adequate public facilities are available at the Property with sufficient capacity to service the Intended Improvements, including, but not limited to, sewer and water utilities.
- k. 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"), unless Buyer fails to close through no fault of the Seller.
- l. Sole and exclusive possession of the Property will be delivered to Buyer at Closing.

In the event that any of the foregoing conditions precedent to Closing 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 the Deposit and all interest earned thereon 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.

- 8. **Closing Documents**. The Closing documents will be provided by the parties as set forth below, in form acceptable to Buyer:
  - a. At Closing, Seller will execute and/or deliver to Buyer:
    - i. **Deed**. A special warranty deed in recordable form, duly executed by Seller, conveying to the Buyer good, marketable and insurable fee simple title to the Property subject only to the Permitted Encumbrances, with the legal description provided in Exhibit "A"; and to the extent Exhibit "A" and the Title Commitment differ, Seller will provide a special warranty deed for the Title Commitment legal, so long as, the surveyor that

prepared the Survey provides a "one and the same" affidavit to be recorded at closing.

- ii. Affidavit. An owner's and contractor's affidavit adequate for title insurance to be issued by the Title Company without exception for parties in possession, mechanics' or materialmens' liens and to permit the Title Company to delete the "gap" in the Title Commitment;
- iii. FIRPTA Affidavit. In order to comply with the requirements of the Foreign Investment Real Property Tax Act of 1980 ("FIRPTA"), Seller will deliver to Buyer at Closing Seller's non foreign certificate stating the Seller is not a "foreign person," as defined in Section 1445 of the Internal Revenue Code of 1986 and the U.S. Treasury Regulations thereunder, setting forth Seller's taxpayer identification number, and that Seller intends to file a United States income tax return with respect to the transfer. Seller represents and warrants to Buyer that it has not made nor does Seller have any knowledge of any transfer of the Property or any part thereof that is subject to any provisions of FIRPTA that has not been fully complied with by either transferor or transferee;
- iv. Closing Certificate. A duly executed certification that every representation and warranty of Seller under this Agreement is true and correct as of the Closing as if made by Seller at such time;
- v. Assignment. A duly executed assignment of permits, approvals and development rights.
- vi. Authority Documents. Any and all documents reasonably requested by Buyer or the title company in connection with Seller's authority to execute this Agreement, the deed and all other documents contemplated under this Agreement;
- vii. Closing Statement. A closing statement prepared by Title Agent setting forth all amounts paid, credited and otherwise due, payable and paid hereunder ("Closing Statement"); and
- viii. Other Documents. Such additional documents or instruments as may be required to effectuate the terms, conditions and provisions hereof and to carry out the intent of the parties hereto, or as may be reasonably required by the title insurance company, so as to be able to delete at Closing all of the requirements of Schedule B-Section 1 of the Title Commitment and all of the standard printed exceptions (other than the exception for taxes and assessments for the current year not yet due and payable, and the survey exception, which will be limited to the specific matters affecting the Property reflected on the Survey) from Schedule B-Section 2 of the Title Commitment, and to insure the gap between the effective date of the Title

Commitment and the recording of the deed conveying title to the Property from Seller to Buyer.

b. At Closing, Buyer will deliver to Seller:

- i. Closing Statement. The Closing Statement executed in counterpart;
- ii. Purchase Price. The Purchase Price (as adjusted for all credits, adjustments and prorations set forth in this Agreement); and
- iii. Other Documents. Such additional documents or instruments as may be reasonably required or requested by Seller to effectuate the terms, conditions and provisions of this Agreement.

9. Closing/Closing Expenses. Except as otherwise provided herein, the consummation of the transactions described in this Agreement (the "Closing") will take place using mail away procedures no later than November 30, 2017 (the "Closing Date"). Time is of the essence.

At Closing, Seller will pay for the preparation of the special warranty deed, the cost to cure any Title Objections that Seller has expressly agreed to cure or is otherwise required to cure, the cost of documentary stamp tax on the special warranty deed, and for such other incidental expenses, as are usually borne by sellers of property in Sarasota County unless otherwise expressly provided for herein to the contrary. Buyer will pay the fee for the title insurance premium on the Title Policy together with all search and examination charges, recording the special warranty deed, the costs of the Survey updates, the costs associated with obtaining financing, permits and impact fees in connection with the Intended Improvements and for such other incidental expenses, including municipal lien searches, as are usually borne by purchasers of property in Sarasota County. Buyer will pay for the title insurance premium for any lenders title insurance policy and the title premium for any endorsements to the Title Policy required by Buyer or its lender. Buyer will pay for the fees charged by Escrow Agent. Buyer and Seller will each pay fifty percent (50%) of any closing fee charged by the Title Company, provided, however Seller's portion of such fee cannot exceed \$500.00. Each party will pay its own attorneys' fees.

Buyer shall have the right to extend to the Closing Date for up to three (3) periods of approximately sixty (60) days, each by providing written notice to Seller of such extension at least five (5) days prior to the then-scheduled Closing Date and simultaneously depositing with Escrow Agent the following amounts: (i) Five Thousand and No/100 Dollars (\$5,000.00) (the "First Extension Deposit") for an extension of the then-scheduled Closing Date from November 30, 2017 to January 29, 2018; (ii) Five Thousand and No/100 Dollars (\$5,000.00) (the "Second Extension Deposit") for an extension of the then-scheduled Closing Date from January 29, 2018 to March 28, 2018; and (iii) Five Thousand and No/100 Dollars (\$5,000.00) (the "Third Extension Deposit") for an extension of the then-scheduled Closing Date from March 28, 2018 to May 28,

2018. The First Extension Deposit, Second Extension Deposit and Third Extension Deposit shall be applicable to the Purchase Price, and treated as a Deposit hereunder.

10. **Prorations.** The following items will be adjusted and apportioned with due regard for maximum discounts and allowed as of the Closing Date:

- a. **Apportionment.** Seller shall pay all ad valorem real estate and/or personal property taxes, charges and/or assessments (special or otherwise) for all years prior to the year of the Closing Date. Buyer shall pay all ad valorem real estate and/or personal property taxes, charges and/or assessments (special or otherwise) for all years after the year of the Closing Date. Seller and Buyer shall pay their proportionate share of the ad valorem real estate and/or personal property taxes, charges and/or assessments (special or otherwise) for the year of the Closing Date, prorated at the Closing based upon the actual days during the year in which Seller and Buyer owned the Property.
- b. **Special Assessment Liens.** If, on the Closing Date, the Property or any part thereof, will be or will have been affected by any certified, confirmed, and ratified special assessment liens, the same will be paid and discharged by Seller. Pending liens will be assumed by Buyer; provided, however, that once the amount of a pending special assessment lien has been finally determined, the amount of the special assessment lien will be prorated and Seller will reimburse Buyer for any amounts paid by Buyer which are allocable to the period of time Seller owned the Property within thirty (30) days of Buyer's delivery to Seller of the proration statement.
- c. **Real Estate Taxes.** If the Closing will occur before the tax rate is fixed, the apportionment of taxes will be based upon the real estate taxes for the previous year. If the tax rate is not fixed at Closing, the parties agree to make an appropriate adjustment upon the issuance of the actual statement for the taxable year. Thus, if at the time of Closing, the taxes for the current year have not been finally determined, Seller or Buyer, as the case may be, agrees to pay any balance later found to be due on the reparation of the actual taxes for the year in which the Closing occurred, within thirty (30) days of the determination thereof.

The provisions of this section will survive the Closing.

11. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer and covenants and agrees with Buyer as follows:

- a. Seller has not entered into any contracts, subcontracts, arrangements, leases, licenses, concessions, easements, or other agreements, either recorded or unrecorded, written or oral, affecting all, or any portion of, or any interest in the Property, which will not have been terminated or expired prior to Closing;

- b. There are no: (1) existing or pending improvement or special assessment liens affecting the Property; (2) violations of building codes and/or zoning ordinances or other governmental or regulatory laws, ordinances, regulations, orders or requirements affecting the Property; (3) existing, pending or threatened lawsuits, or appeals of prior lawsuits, affecting the Property; (4) existing, pending or threatened condemnation proceedings affecting the Property; (5) existing, pending or threatened zoning, building or other moratoria, downzoning petitions, proceedings, restrictive allocations or similar matters that could adversely affect the development of the Intended Improvements on the Property; or (6) unrecorded easements, restrictions or encumbrances affecting all or any part of the Property;
- c. Seller has not used, manufactured, stored, or released any Hazardous Materials (as hereinafter defined) on, in or around the Property, and, except as disclosed, in any prior environmental site assessment reports furnished from Seller to Buyer prior to the execution of this Agreement (the "Environmental Documents"), to Seller's knowledge, no other person or entity has ever used, manufactured, stored or released any Hazardous Materials on, in or around the Property, and, to the best of Seller's knowledge, no Hazardous Materials are present in, on, under or around the Property. As used herein, "Hazardous Materials" will mean petroleum and petroleum-based products and any other substance or material, the use, manufacture, storage, release or presence of which in land, water or elsewhere in the environment is limited, prohibited or in any other way regulated by any federal, state or local law, ordinance, rule or regulation. Seller further represents and warrants that, to Seller's knowledge, no portion of the Property has ever been used as a landfill or a dump;
- d. There are no agreements currently in effect which prohibit or restrict the sale of the Property;
- e. Seller has the right, power and authority to execute and deliver this Agreement, to perform each and every obligation of Seller hereunder, and to consummate the transactions contemplated by it; and no consent, approvals or authorizations from any person, entity or governmental authority is required with respect to this Agreement and the consummation of the transaction contemplated herein; and neither the execution and delivery of this Agreement, and the performance or consummation of the obligations and transactions contemplated by it, nor the fulfillment of, nor the compliance with, the terms, conditions and provisions of this Agreement will conflict with, or result in a violation or breach of, any relevant law, or any other instrument or agreement of any nature to which Seller is a party or by which it is bound or may be affected, or constitute (with or without the giving of notice or the passage of time) a default under such an instrument or agreement;
- f. No unrecorded commitments or agreements have been made by Seller to any governmental authority, utility company, school board, church or other religious body, any homeowners or homeowners' association, or any other organization, group or individual, relating to the Property which impose an obligation upon

Buyer to make any contributions or dedications of money, land, or any interest in land, to construct, install or maintain any improvements of a public or private nature on or off the Property, or otherwise impose any obligations or liability on Buyer or the Property;

- g. All agreements, documents, studies and other materials delivered to Buyer are true, correct and complete copies of all such items;
- h. The balance of all existing liens and mortgages will be satisfied at or before Closing, and Seller agrees to provide Buyer and Title Agent approvals from any lender to sell the Property for less than the balance owed to said lender, if any;
- i. Seller has received no notice and there is no violation of any law, regulation, ordinance, order or judgment affecting the Property; and
- j. Seller owns the Property in fee simple.
- k. At all times during the term of this Agreement and as of the Closing Date, all of Seller's representations, warranties and covenants in this Agreement will be true and correct; and no representation or warranty by Seller contained in this Agreement and no statement delivered or information prepared and supplied by Seller to Buyer pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements or information contained in them or in this Agreement not misleading. Each representation and warranty of Seller in the Agreement will only survive until the first anniversary of the Closing Date (the "Survival Date"). Notice of any claim for indemnification with respect to any representation and warranty must be given to Seller prior to the termination of the Survival Date. Seller agrees to indemnify, hold harmless, protect and defend Buyer from and against any and all losses and expenses incurred by Buyer arising out of, relating to, or based upon any inaccuracy in, or breach of, any of the representations or warranties made by Seller contained in this Agreement. The right of Buyer to be indemnified hereunder will not be limited or affected by any investigation conducted or notice or knowledge obtained by or on behalf of Buyer except to the extent Purchase had actual knowledge prior to the Closing, without duty of independent inquiry, and Buyer nonetheless chose to close. No indemnification under this Section will be due unless the aggregate amount of loss and expenses (aggregating all indemnifiable matters under this Section) due exceeds \$25,000.00 (the "Indemnification Threshold"), in which case indemnity shall become due for the entire amount of such losses and expenses in excess of such Indemnification Threshold. However, the Indemnification Threshold will not apply to any willful or intentional breach of the Seller's representations and warranties. The maximum amount of loss and expense for which Buyer will be entitled to be indemnified under this Section shall be \$500,000.00 (the "Indemnification Cap"). However, the Indemnification Cap will not apply to any willful or intentional breach of Seller's representations and warranties.

12. **Broker.** Seller represents and warrants that Seller has not dealt with any real estate broker, sales person or finder in connection with this transaction, other than JBM Multifamily, LLC, ("Seller's Broker"). Buyer represents and warrants that Buyer is not represented by a real estate broker, sales persons, or finder in connection with this connection. Seller will pay, through separate agreement, any fees due to Seller's Broker. In the event of any claim or broker's or finder's fee or commission in connection with the negotiation, execution or consummation of this Agreement or the transactions contemplated hereby, each party will defend, indemnify and hold harmless the other party from and against any such claim based upon any statement, representation or agreement of such party. The mutual indemnities and representations and warranties of each of Seller and Buyer in this section will survive the Closing.
13. **Damage, Destruction or Condemnation.**
- a. **Risk of Loss.** Risk of loss to the Property occurring prior to the Closing Date will be borne by Seller.
- b. **Casualty Loss.** In the event of any loss, damage or destruction to the Property prior to Closing, Buyer may elect either (i) to proceed with Closing, without adjustment of the Purchase Price, and Seller will assign to Buyer all insurance proceeds received as a result of the loss, damage or destruction, or (ii) to terminate this Agreement, in which event the Deposit will be returned to Buyer. Seller will promptly notify Buyer in writing of any casualty to the Property. Buyer will make such election within ten (10) business days following Seller's written notice to Buyer of the casualty event, and if such election is not timely made, Buyer will be deemed to have elected to terminate this Agreement.
- c. **Condemnation.** In the event that any condemnation proceedings are instituted, or notice of intent to condemn is given, with respect to all or any portion of the Property, Seller will promptly notify Buyer in writing thereof, in which event Buyer will have the option either to terminate this Agreement and receive a refund of the Deposit, or to consummate the purchase of the Property without reduction of the Purchase Price and the right to collect any condemnation award or compensation for such condemnation will be assigned by Seller to Buyer at Closing. Buyer must make such election within ten (10) business days following Seller's written notice to Buyer of the condemnation proceedings, and if such election is not timely made, Buyer will be deemed to have elected to terminate this Agreement.

The provisions of this section will survive the Closing.

14. **Default.** In the event that Buyer fails to perform its obligations hereunder and such failure is through no fault or failure of Seller to comply with its obligations hereunder, Seller may, as its sole, exclusive and absolute remedy, terminate this Agreement and retain, as full and complete agreed upon liquidated damages, the Deposit. If Seller

refuses to close, despite its obligation to close hereunder, or if any of the representations, warranties and covenants of Seller will at any time on or before Closing be found to be false or misleading in any material respect, or if Seller is otherwise in default under the terms and provisions of this Agreement, Buyer may at Buyer's sole discretion: (i) terminate this Agreement and obtain the return of its Deposit, this Agreement will be deemed null and void and of no further force or effect, and no party hereto will have any further rights, obligations or liabilities hereunder except that Buyer will have the right to pursue an action against Seller for Buyer's out of pocket costs incurred to negotiate this Agreement and to conduct its investigation of the Property, provided, however, Buyer's recovery will be limited to no more than \$10,000.00 plus reasonable attorney fees, court costs and interest, or (ii) seek specific performance of Seller's obligations hereunder, provided that such action is commenced within sixty (60) days immediately following the date of Seller's breach. Notwithstanding anything to the contrary herein, there shall be no default of Buyer hereunder unless and until Seller shall have provided Buyer written notice of such default and Buyer shall have failed to cure said default within thirty (30) days of its receipt of such notice; provided, however, that if Buyer is unable to cure within said time period, Buyer shall have such time to cure as is reasonable under the circumstances provided that Buyer has undertaken efforts to cure in said time period; provided, however, that no cure shall be provided for a failure to close in accordance with the terms of this Agreement on the Closing Date, as may be extended.

15. **Notice.** All notices, consents, approvals, waivers and elections which any party will be required or will desire to make or give under this Agreement will be in writing and given by delivery in person, or sent by facsimile or email, as provided below:

To Buyer:

Toledo Village LP  
247 N. Westmonte Drive  
Altamonte Springs, Florida 32714  
Attention: Todd M. Wind  
Telephone: (407) 772-0200  
Facsimile: (407) 772-0220  
Email: [twind@picernefl.com](mailto:twind@picernefl.com)

With a copy to:

Broad and Cassel  
390 N. Orange Avenue, Suite 1400  
Orlando, Florida 32801  
Attention: Hollie A. Croft, P.A.  
Telephone: (407) 839-4239  
Facsimile: (407) 650-0979  
Email: [hcroft@broadandcassel.com](mailto:hcroft@broadandcassel.com)

To Seller:

Toledo Price Plaza, LLC  
2875 NE 191 STREET  
PH1B  
Aventura, FL 33180

Attention: Jack Azout  
Telephone: (305) 935-5175  
Facsimile: (305) 935-3636  
Email: [jazout@gmail.com](mailto:jazout@gmail.com)

Toledo Price Plaza, LLC  
8890 W. Oakland Park Blvd., #201  
Sunrise, FL 33351  
Attention: Daniel Hotte  
Telephone: (954) 749-8990  
Facsimile: (954) 749-7148  
Email: [Daniel.hotte@echion.net](mailto:Daniel.hotte@echion.net)

With a copy to:

Ted Klein  
8030 Peters Road, Suite D-104  
Plantation, Florida 33324  
Tel.: (954)370-2533  
Fax: (954)370-2566  
Email: [Ted@tedlaws.com](mailto:Ted@tedlaws.com)

To Escrow Agent:

Broad and Cassel  
390 N. Orange Avenue, Suite 1400  
Orlando, Florida 32801  
Attention: Heather Toft, Esq.  
Telephone: (407) 839-4252  
Facsimile: (407) 650-0966  
Email: [htoft@broadandcassel.com](mailto:htoft@broadandcassel.com)

Notices, consents, approvals, waivers and elections given or made as aforesaid will be deemed to have been dated, given and received: (i) on the date of actual receipt if transmitted by overnight courier, hand delivery, or U.S. Mail, return receipt requested, if a signed receipt is obtained; (ii) on the date of transmission, if transmitted by telecopier and confirmation of successful transmission is provided by such telecopier or by email, provided the recipient emails acknowledgement of receipt, in the absence of which a copy will also be sent via overnight courier, effective as of the date of delivery to the overnight courier.

16. **Assignment.** Buyer will be entitled to assign Buyer's rights and obligations under this Agreement to any other related entity owned by, controlled by, under common control, or affiliated with Buyer, provided that Buyer gives Seller prior notice of any such assignment. Any other assignment will require the prior written consent of Seller. No assignment will release Buyer from liability under this Agreement.

17. **Radon Gas Notice.** Pursuant to Florida Statutes Section 404.056(5), Seller hereby makes, and Buyer hereby acknowledges, the following notification:

RADON GAS: 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.

18. **Escrow Agent.**

- a. Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement. Escrow Agent will not be deemed to have any implied duties or obligations under or related to this Agreement.
- b. Escrow Agent may: (a) act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine; (b) assume the validity and accuracy of any statement or assertion contained in such a writing or instrument; and (c) assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions of this Agreement has been duly authorized to do so. Escrow Agent will not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in escrow, nor as to the identity, authority, or right of any person executing any instrument; and Escrow Agent's duties under this Agreement are and will be limited to those duties specifically provided in this Agreement.
- c. The parties to this Agreement do and will indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or other expenses, fees, or charges of any character or nature, including attorneys' fees and costs, which it may incur or with which it may be threatened by reason of its action as Escrow Agent under this Agreement, except for such matters which are the result of Escrow Agent's gross negligence or willful misconduct.
- d. If the parties (including Escrow Agent) will be in disagreement about the interpretation of this Agreement, or about their respective rights and obligations, or about the propriety of any action contemplated by Escrow Agent, Escrow Agent may, but will not be required to, file an action in interpleader to resolve the disagreement; upon filing such action, Escrow Agent will be released from all obligations under this Agreement. Escrow Agent will be indemnified for all costs and reasonable attorneys' fees, including those for appellate matters and for paralegals and similar persons, incurred in its capacity as escrow agent in connection with any such interpleader action; Escrow Agent may represent itself in any such interpleader action and charge its usual and customary legal fees for such representation, and the court will award such attorneys' fees, including those for appellate matters and for paralegals and similar persons, to Escrow Agent

from the losing party. Escrow Agent will be fully protected in suspending all or part of its activities under this Agreement until a final judgment in the interpleader action is received.

- e. Escrow Agent may resign upon five (5) calendar days' written notice to Seller and Buyer. If a successor escrow agent is not appointed jointly by Seller and Buyer within the five (5) calendar-day period, Escrow Agent may petition a court of competent jurisdiction to name a successor.
- f. Seller and Buyer acknowledge and agree that Escrow Agent is the law firm representing Buyer with regard to this Agreement and the transaction which is the subject hereof, and hereby waive any claim against Escrow Agent based upon a conflict of interest as a result of Escrow Agent serving in such dual capacities, excluding only actions by Escrow Agent constituting knowing and intentional misconduct. Seller further agrees that Escrow Agent will be permitted to represent Buyer in all aspects of this Agreement and the subject transaction, including, without limitation, any dispute with respect to the Deposit.
- g. The provisions of this Section will survive the Closing and also the cancellation of this Agreement.

19. **General Provisions.** The following general terms and conditions apply to this Agreement:

- a. Singular/Plural – Masculine/Feminine. Words used herein in the singular will include the plural and words in the masculine/feminine/neuter gender will include words in the masculine/feminine/neuter where the text of this Agreement requires.
- b. Titles. Headings in this Agreement are for convenience only.
- c. Successors. The terms, covenants, and conditions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and assigns, except as herein limited.
- d. Choice of Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF FLORIDA. VENUE AND JURISDICTION FOR ANY ACTION BROUGHT HEREUNDER IS HEREBY AGREED TO BE PROPER AND LIE EXCLUSIVELY WITH THE APPROPRIATE COURT LOCATED IN SARASOTA COUNTY, FLORIDA.
- e. Time. Time is of the essence in the performance of each and every one of the obligation of the parties to this Agreement. Unless otherwise specified, in computing any period of time described herein, the day of the act or event for which the designated period of time begins to run is not to be included and the last

day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday, in which event the period will run until the end of the next day which is neither a Saturday, Sunday or legal holiday.

- f. Jury Trial Waiver. IN THE EVENT THAT IT BECOMES NECESSARY FOR EITHER PARTY TO BRING SUIT TO ENFORCE THE TERMS OF THIS AGREEMENT, THEN EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. THIS WAIVER IS MADE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY.
- g. Attorneys Fees. In the event that there is an action brought either at law or in equity, by either party against the other by reason of any matter or dispute arising out of this Agreement, the parties agree that the prevailing party in such litigation will be entitled to recover from the non-prevailing party the prevailing party's reasonable attorneys' fees therein, including fees incurred in bankruptcy proceedings or on appeal, plus court costs.
- h. Liability Joint and Several. If more than one party is named herein as Seller, then such parties hereby agree that the liability of each hereunder will be joint and several.
- i. Entire Agreement; Construction; Severability. This Agreement integrates and supersedes all other agreements and understandings of every character of the parties and comprises the entire agreement between them. This Agreement may not be changed, except in writing signed by the parties. No waiver of any rights or obligations hereunder will be deemed to have occurred unless in writing signed by the party against whom such waiver is asserted and no waiver will be deemed a waiver of any other or subsequent right or obligations. The parties acknowledge that the parties and their respective counsel have reviewed and revised this Agreement and, therefore, the normal rule of construction of contracts that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement and any exhibits or amendments thereto. If any portion of this Agreement is held to be invalid or inoperative, the remainder of it will be deemed valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative to the extent possible.
- j. Counterpart Signatures. This Agreement may be executed in two or more counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument. This Agreement may be executed in multiple copies, and by telecopy or email PDF transmission, each of which shall be deemed to be an original for all purposes.

k. Seller Acknowledgment. In order to induce Buyer to enter into this Agreement, Seller makes the representations and warranties to Buyer set forth in Section 11. EXCEPT FOR THE SPECIFIC REPRESENTATIONS AND WARRANTIES ON THE PART OF SELLER CONTAINED IN THIS AGREEMENT, SELLER SPECIFICALLY DISCLAIMS ALL WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE (INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY BUYER) WITH RESPECT TO THE PROPERTY OR THE PROPERTY'S CONDITION OR THE PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF THE PROPERTY. THE DISCLAIMERS HEREOF SPECIFICALLY EXTEND TO, WITHOUT LIMITATION, (1) MATTERS RELATING TO HAZARDOUS MATERIALS AND COMPLIANCE WITH ENVIRONMENTAL LAWS, (2) GEOLOGICAL CONDITIONS, INCLUDING SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND STREAMS AND RESERVOIRS AND OTHER UNDERGROUND WATER CONDITIONS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER, EARTHQUAKE FAULTS, AND MATTERS RELATING TO FLOOD PRONE AREAS, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARDS, (3) DRAINAGE, (4) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, CONDITIONS OF SOIL FILL, SUSCEPTIBILITY TO LANDSLIDES, AND THE SUFFICIENCY OF ANY UNDERSHORE, (5) ZONING AND SUBDIVISION AND COMPLIANCE WITH ZONING AND SUBDIVISION LAWS, AND (6) THE VALUE AND PROFIT POTENTIAL OF THE PROPERTY.

l. Buyer Acknowledgment. BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED BUYER OF REAL ESTATE. BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE SPECIFIC REPRESENTATIONS AND WARRANTIES IF ANY MADE BY SELLER HEREIN, BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY STATEMENT OF SELLER OR ANY OF ITS AFFILIATES OR ANY OFFICER, DIRECTOR, TRUSTEE, AGENT, EMPLOYEE OR OTHER PERSON ACTING OR PURPORTING TO ACT ON BEHALF OF SELLER OR ANY OF ITS AFFILIATES. BUYER ACKNOWLEDGES THAT BUYER HAS CONDUCTED OR WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS AS TO THE CONDITION OF THE PROPERTY AND ALL MATTERS BEARING UPON THE PROPERTY AND THE PROSPECTS, OPERATIONS AND RESULTS OF OPERATIONS OF THE PROPERTY AS BUYER DEEMS NECESSARY TO PROTECT ITS INTERESTS. BUYER IS ACQUIRING THE PROPERTY "AS IS" AND "WHERE IS" AND WITH ALL FAULTS, DEFECTS OR OTHER ADVERSE MATTERS. UPON CLOSING, BUYER WILL ACCEPT THE PROPERTY SUBJECT TO ADVERSE STRUCTURAL, PHYSICAL,

ECONOMIC OR ENVIRONMENTAL CONDITIONS THAT MAY THEN EXIST AND THAT WERE NOT REVEALED BY THE INSPECTIONS AND INVESTIGATIONS CONDUCTED BY BUYER, AND BUYER SPECIFICALLY WAIVES AND RELEASES (1) ALL WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE (INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY SELLER) WITH RESPECT TO THE PROPERTY OR ITS CONDITION, PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF THE PROPERTY AND (2) ALL RIGHTS, REMEDIES, RECOURSE OR OTHER BASIS FOR RECOVERY (INCLUDING ANY RIGHTS, REMEDIES, RECOURSE OR BASIS FOR RECOVERY BASED ON NEGLIGENCE OR STRICT LIABILITY) THAT BUYER WOULD OTHERWISE HAVE AGAINST SELLER OR ANY OF ITS AFFILIATES, ANY PERSON WHO HOLDS A DIRECT OR INDIRECT OWNERSHIP INTEREST IN SELLER OR ANY SUCH AFFILIATE AND THE RESPECTIVE OFFICERS, DIRECTORS, TRUSTEES, AGENTS AND EMPLOYEES OF EACH SUCH PERSON IN RESPECT OF THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS, WAIVERS AND RELEASES SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT AND THAT SELLER WOULD NOT HAVE AGREED TO COMPLETE THE SALE ON THE TERMS PROVIDED IN THIS AGREEMENT WITHOUT THE DISCLAIMERS, WAIVERS AND RELEASES SET FORTH HEREIN. BUYER REPRESENTS TO SELLER THAT BUYER WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION WILL SURVIVE CLOSING OR ANY TERMINATION OF THIS AGREEMENT.

20. **Confidentiality.** Seller and Buyer (each a "Party" for purposes of this Section 20) acknowledge that the transaction described herein is of a confidential nature and shall not be disclosed by any Party, nor by any of their respective parents, subsidiaries, employees, or affiliates, except to partners of Seller and Buyer, attorneys, FHFC, lenders, potential equity sources, accountants, consultants, advisors, members and affiliates, as a result of any action required to be performed by a party under this Agreement, or as required by law. Prior to Closing, no Party shall make any public disclosure of the specific terms of this Agreement, except as required by law. In connection with the negotiation of this Agreement and the preparation for the consummation of the transactions contemplated

hereby, each Party acknowledges that it will have access to confidential information relating to the other party. Each Party shall treat such information as confidential, preserve the confidentiality thereof, and not duplicate or use such information, except to the partners of Seller or Buyer, and attorneys, FHFC, lenders, potential equity sources, accountants, advisors, members, consultants, and affiliates in connection with the transactions contemplated hereby. In the event of the termination of this Agreement, except in the event of Seller's default, Buyer shall return to Seller, at Seller's request, all documents, work papers, and other material (including all copies thereof) obtained from Seller in connection with the transactions contemplated hereby as well as provide any conceptual site plans or engineering done on the Property during the term of this Agreement, and each party shall use reasonable best efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information except as otherwise permitted by law. Neither Seller nor Buyer shall make statements to the press or issue a press release regarding the transaction contemplated by this Agreement prior to Closing but may do so after Closing without the consent of the other party; provided, however, that any statements to the press or press release by Seller or its employees, directors, constituent entities, or any of their respective representatives must not disclose the Purchase Price. Notwithstanding the foregoing, after Closing, Seller may disclose the amount of the Purchase Price for the Property to actual and/or potential investors and/or actual or potential lenders in similar projects of Seller (or its affiliates). Further, notwithstanding anything contained in this Section 20 or elsewhere in this Agreement to the contrary, neither Buyer nor Seller shall have any liability concerning information (including, without limitation, information regarding the Purchase Price) which becomes public due to no wrongful action on the part of such party, or which is ordered or required to be publicly released by the requirement of any governmental agency or entity.

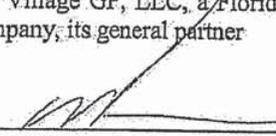
*[Signature Page Follows]*

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

**BUYER:**

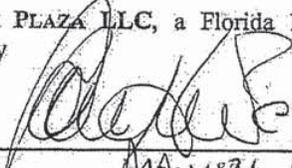
TOLEDO VILLAGE, LP, a Florida limited partnership

By: Toledo Village GP, LLC, a Florida limited liability company, its general partner

By:   
Robert M. Picerne, Manager

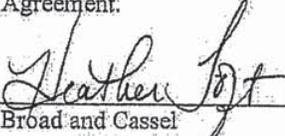
**SELLER:**

TOLEDO PRICE PLAZA LLC, a Florida limited liability company

By:   
Name: Michael H. Carr  
Title: Manager

**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

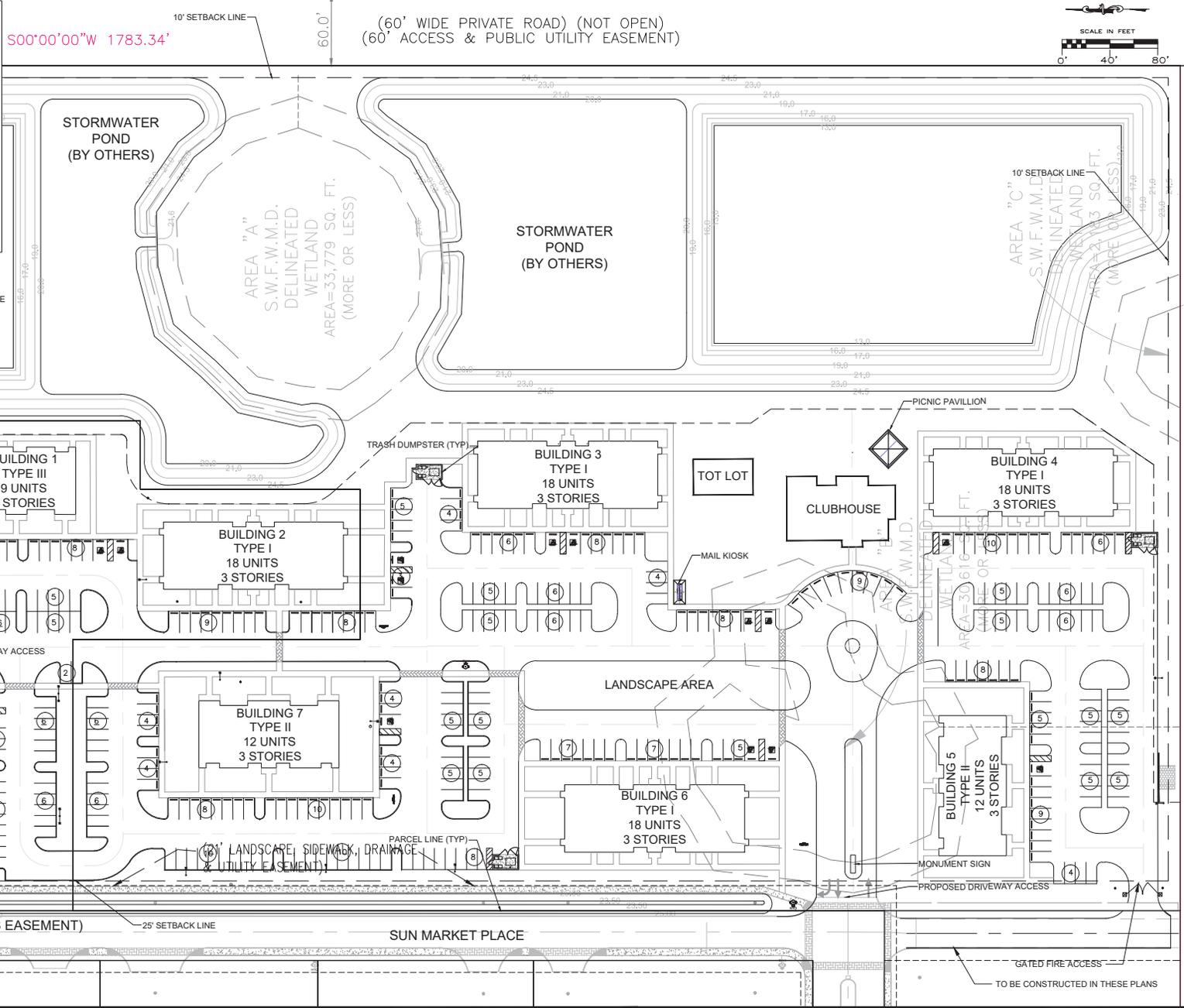
Dated: October 11, 2016

EXHIBIT "A"

Tracts C-1 and C-2, Suncoast Plaza II, Plat Book 49, Page 5 of the Public Records of Sarasota County Florida which is all of Tax parcel ID #s 0984070080 (as to Tract C-1) and 0984070085 (as to Tract C-2) containing approximately 18.13 acres of undeveloped land in the aggregate

**SITE DATA**  
 THIS PROJECT IS LOCATED WITHIN AC-5.  
 TOTAL PROJECT ACREAGE: 17.89+ ACRES  
 PIN: 1118-03-0010  
 FLOOD ZONE: "A" AND "C" FIRM PANEL 1202 790015B  
 CURRENT ZONING: PCD  
 CURRENT USE: VACANT  
 PROPOSED ZONING: NO CHANGE  
 PROPOSED USE: APARTMENTS  
 PROPOSED NUMBER OF UNITS: 123 UNITS  
 DENSITY CALCULATION: 12.5 UNITS/AC  
 F.A.R. = 0.37  
 MAX BUILDING HEIGHT: 55'  
 SETBACKS: FRONT 25', REAR 10', SIDE(S) 10'  
 PROP. GROSS FLOOR AREA: 288,374 SF

**PARKING DATA**  
 123 UNITS AT 1.5 SPACES PER UNIT = 123x1.5 = 185 SPACES  
 2 SPACES FOR OWNER/MANAGER = 2 SPACES  
 1 SPACE FOR EVERY 10 UNITS = 123/10 = 13 SPACES  
 PARKING REQUIRED = 198 SPACES  
 PARKING SPACES PROVIDED = 349 SPACES  
 INCLUDING 15 HC SPACES  
 STANDARD SPACES ARE 9'X18' AND HANDICAP SPACES ARE 12'X18'. TWO-WAY DRIVE AISLES ARE MINIMUM 24'.



(60' WIDE PRIVATE ROAD) (NOT OPEN)  
 (60' ACCESS & PUBLIC UTILITY EASEMENT)

SCALE IN FEET  
 0' 46' 80'

AREA "A"  
 S.W.F.W.M.D.  
 DELINEATED  
 WETLAND  
 AREA=33,779 SQ. FT.  
 (MORE OR LESS)

AREA "C"  
 S.W.F.W.M.D.  
 DELINEATED  
 WETLAND  
 AREA=21,133 SQ. FT.  
 (MORE OR LESS)

SUN MARKET PLACE

SUNDOWN LANE

TRACT A (PRIVATE ACCESS EASEMENT) (BY OTHERS)

TRACT B (PRIVATE ACCESS DRIVE) (BY OTHERS)

DOG PARK

BUILDING 1  
 TYPE III  
 9 UNITS  
 3 STORIES

BUILDING 2  
 TYPE I  
 18 UNITS  
 3 STORIES

BUILDING 3  
 TYPE I  
 18 UNITS  
 3 STORIES

BUILDING 4  
 TYPE I  
 18 UNITS  
 3 STORIES

BUILDING 5  
 TYPE II  
 12 UNITS  
 3 STORIES

BUILDING 6  
 TYPE I  
 18 UNITS  
 3 STORIES

BUILDING 7  
 TYPE II  
 12 UNITS  
 3 STORIES

BUILDING 8  
 TYPE I  
 18 UNITS  
 3 STORIES

PICNIC PAVILION

TOT LOT

CLUBHOUSE

MAIL KIOSK

LANDSCAPE AREA

TRASH DUMPSTER (TYP)

PARCEL LINE (TYP)

LANDSCAPE, SIDEWALK, DRAINAGE & UTILITY EASEMENT

PROPOSED DRIVEWAY ACCESS

MONUMENT SIGN

GATED FIRE ACCESS

TO BE CONSTRUCTED IN THESE PLANS

11/10/15

OCTOBER 2, 2015

PAGER: 941-444-1111

OFFICE: 941-444-1111

PROJECT: P150015B

DATE: 11/10/15

DRAWN BY: MAF

CHECKED BY: MAF

SCALE: 1/8" = 1'-0"

PROJECT NO.: P150015B

SHEET NO.: 1

SHEET TOTAL: 1

WATERMARK ENGINEERING GROUP, INC.  
 3808 S. BAY CITY CENTER BLVD., SUITE 100, NORTH PORT, FL 34108  
 TEL: (813) 633-1100, CERTIFICATE OF AUTHORIZATION 20000

PICERNE APARTMENTS NORTH PORT, FL

PICERNE CONCEPT 1

N90°00'00"W 968.65'

C-1

### **3. 8 Schematic Drawings**

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



**The Pointe at Toledo Village**  
**Development Budget**

Development Cost	Category	Historical Basis?	Total	% Eligible	Eligible Acquisition Cost (1)	Construction Basis (2)	Non-Eligible Depr / Amort (3)	Funded Expense (4)	Historic Basis (Y or N)	Other (6)
<b>Acquisition Costs</b>										
Land Acquisition	6	N	2,453,000	100%	--	--	--	--	--	2,453,000
Building Acquisition	1	Y	-	100%	--	--	--	--	0	--
Other Acquisition Costs	3	N	-	100%	--	--	--	--	--	--
<b>Construction Costs</b>										
Hard Costs										
Direct Construction Costs	2	Y	11,685,000	99%	--	11,509,725	--	--	0	175,275
General Conditions	2	Y	701,100	100%	--	701,100	--	--	0	--
General Contractor Fee	2	Y	701,100	100%	--	701,100	--	--	0	--
Construction Overhead	2	Y	233,700	100%	--	233,700	--	--	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	1,510,797	100%	--	1,510,797	--	--	--	--
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										
Construction Loan Interest	2	N	470,148	70%	--	329,104	--	--	--	141,045
Origination Fee	2	N	171,000	70%	--	119,700	--	--	--	51,300
Closing Costs & Due Diligence Fee	2	N	50,000	100%	--	50,000	--	--	--	--
<b>Permanent Financing Costs</b>										
Lender Fees	6	N	65,200	100%	--	--	--	--	--	65,200
Construction Period Lender Inspections	6	N	25,200	100%	--	--	--	--	--	25,200
Third Party Updates	4	N	20,000	100%	--	--	--	20,000	--	--
<b>Soft Funds Financing Costs</b>										
Origination Fee	2	N	-	100%	--	--	--	--	--	--
Interest Expense	2	N	-	50%	--	--	--	--	--	--
<b>LIHTC Costs</b>										
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	--	--	--
Administrative Fee & TEFRA Fee	6	N	120,788	100%	--	--	--	--	--	120,788
<b>Lease Up Costs</b>										
Marketing	6	N	85,000	100%	--	--	--	--	--	85,000
Working Capital & Lease Up Deficit	6	N	262,069	100%	--	--	--	--	--	262,069
<b>Third Party Costs</b>										
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
<b>Real Estate Taxes</b>	2	N	46,125	50%	--	23,063	--	--	--	23,063
<b>Title Insurance</b>	2	N	100,000	100%	--	100,000	--	--	--	--
<b>Furniture, Fixtures &amp; Equipment</b>	2	N	100,000	100%	--	100,000	--	--	--	--
<b>Reserves</b>										
Taxes, Insurance & RR Fund	6	N	-	100%	--	--	--	--	--	--
Operating Deficit Reserve	6	N	542,587	100%	--	--	--	--	--	542,587
Working Capital Reserve	6	N	-	0%	--	--	--	--	--	--
<b>Development Contingency</b>	2	N	203,758	100%	--	203,758	--	--	--	--
<b>Total Dev Costs Less Acquisition</b>			<b>\$18,142,413</b>		<b>\$0</b>	<b>\$16,286,047</b>	<b>\$14,341</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$1,822,025</b>
<b>Developer Fee</b>										
0% Overhead	2	N	-		0	0	--	--	--	--
16% Profit	2	N	2,783,371		0	2,783,371	--	--	--	--
<b>TOTAL DEVELOPMENT COSTS</b>			<b>\$23,378,784</b>		<b>\$0</b>	<b>\$19,069,417</b>	<b>\$14,341</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$4,275,025</b>

**The Pointe at Toledo Village**  
**Cash Flow Proforma**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>PROPERTY CASH FLOWS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
<b>Income</b>															
Gross Potential Rent	1,184,964	1,208,663	1,232,837	1,257,493	1,282,643	1,308,296	1,334,462	1,361,151	1,388,374	1,416,142	1,444,465	1,473,354	1,502,821	1,532,877	1,563,535
Other Income	58,835	60,012	61,212	62,436	63,685	64,959	66,258	67,583	68,935	70,313	71,720	73,154	74,617	76,110	77,632
Gross Income	1,243,799	1,268,675	1,294,049	1,319,930	1,346,328	1,373,255	1,400,720	1,428,734	1,457,309	1,486,455	1,516,184	1,546,508	1,577,438	1,608,987	1,641,167
Less: Vacancy	(62,190)	(63,434)	(64,702)	(65,996)	(67,316)	(68,663)	(70,036)	(71,437)	(72,865)	(74,323)	(75,809)	(77,325)	(78,872)	(80,449)	(82,058)
Less: Collection Loss	(12,438)	(12,687)	(12,940)	(13,199)	(13,463)	(13,733)	(14,007)	(14,287)	(14,573)	(14,865)	(15,162)	(15,465)	(15,774)	(16,090)	(16,412)
<b>Effective Gross Income</b>	<b>1,169,171</b>	<b>1,192,555</b>	<b>1,216,406</b>	<b>1,240,734</b>	<b>1,265,548</b>	<b>1,290,859</b>	<b>1,316,677</b>	<b>1,343,010</b>	<b>1,369,870</b>	<b>1,397,268</b>	<b>1,425,213</b>	<b>1,453,717</b>	<b>1,482,792</b>	<b>1,512,448</b>	<b>1,542,697</b>
<b>Expenses</b>															
Real Estate Taxes	92,250	95,018	97,868	100,804	103,828	106,943	110,151	113,456	116,860	120,365	123,976	127,696	131,526	135,472	139,536
Insurance	55,350	57,011	58,721	60,482	62,297	64,166	66,091	68,074	70,116	72,219	74,386	76,617	78,916	81,283	83,722
General & Administrative	49,200	50,676	52,196	53,762	55,375	57,036	58,747	60,510	62,325	64,195	66,121	68,104	70,147	72,252	74,419
Management fee	58,459	60,212	62,019	63,879	65,796	67,769	69,803	71,897	74,054	76,275	78,563	80,920	83,348	85,848	88,424
Payroll & Taxes	166,050	171,032	176,162	181,447	186,891	192,497	198,272	204,221	210,347	216,658	223,157	229,852	236,748	243,850	251,166
Utilities	112,545	115,921	119,399	122,981	126,670	130,471	134,385	138,416	142,569	146,846	151,251	155,789	160,462	165,276	170,234
Repairs & Maintenance	92,250	95,018	97,868	100,804	103,828	106,943	110,151	113,456	116,860	120,365	123,976	127,696	131,526	135,472	139,536
General Misc	2,460	2,534	2,610	2,688	2,769	2,852	2,937	3,025	3,116	3,210	3,306	3,405	3,507	3,613	3,721
<b>Total Expenses</b>	<b>628,564</b>	<b>647,420</b>	<b>666,843</b>	<b>686,848</b>	<b>707,454</b>	<b>728,677</b>	<b>750,538</b>	<b>773,054</b>	<b>796,246</b>	<b>820,133</b>	<b>844,737</b>	<b>870,079</b>	<b>896,181</b>	<b>923,067</b>	<b>950,759</b>
<b>Net Operating Income</b>	<b>540,608</b>	<b>545,134</b>	<b>549,563</b>	<b>553,885</b>	<b>558,095</b>	<b>562,182</b>	<b>566,139</b>	<b>569,956</b>	<b>573,625</b>	<b>577,135</b>	<b>580,476</b>	<b>583,638</b>	<b>586,610</b>	<b>589,381</b>	<b>591,938</b>
Reserves for Replacement	(36,900)	(38,007)	(39,147)	(40,322)	(41,531)	(42,777)	(44,061)	(45,382)	(46,744)	(48,146)	(49,591)	(51,078)	(52,611)	(54,189)	(55,815)
<b>Cash Avail for Debt Service</b>	<b>503,708</b>	<b>507,127</b>	<b>510,415</b>	<b>513,564</b>	<b>516,563</b>	<b>519,405</b>	<b>522,078</b>	<b>524,574</b>	<b>526,881</b>	<b>528,989</b>	<b>530,886</b>	<b>532,560</b>	<b>534,000</b>	<b>535,192</b>	<b>536,123</b>
<b>1st Mortgage Debt Svc Cov</b>	<b>1.20</b>	<b>1.21</b>	<b>1.22</b>	<b>1.22</b>	<b>1.23</b>	<b>1.24</b>	<b>1.24</b>	<b>1.25</b>	<b>1.26</b>	<b>1.26</b>	<b>1.26</b>	<b>1.27</b>	<b>1.27</b>	<b>1.28</b>	<b>1.28</b>

**The Pointe at Toledo Village**  
**Summary Sources & Uses**

		<b>TOTAL</b>
<b>SOURCES OF FUNDS</b>		
LIHTC Equity, Federal		16,306,369
Permanent First Mortgage		6,513,000
Impact Fee Credit		0
LG Loan		50,000
Deferred Developer Fee		509,415
Total Sources of Funds		<b>23,378,784</b>
 <b>USES OF FUNDS</b>		
Acquisition Costs		2,453,000
Construction Costs		
Direct Costs	11,685,000	
General Conditions	701,100	
General Contractor Fee	701,100	
Overhead	233,700	
Contingency	<u>0</u>	
Total Construction Costs		13,320,900
Architectural & Engineering		380,000
Other Soft Costs		1,620,797
Construction Financing Costs		691,148
Permanent Financing Costs		110,400
Soft Funds Financing Costs		0
LIHTC Costs		330,629
Leaseup & Third Party Costs		696,069
Taxes & Insurance		146,125
FF&E		100,000
Developer Fee		2,783,371
Reserves & Soft Cost Contingency		<u>746,345</u>
Total Uses of Funds		<b><u>23,378,784</u></b>
 <b>Excess Sources/(Financing Gap)</b>		 <b>0</b>

