

**BEFORE THE STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION**

CLERMONT RIDGE, LTD.

Petitioner,

FHFC Case No.: 2018-042BP;

RFA No. 2017-111

Application No. 2018-112C

v.

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

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FLORIDA HOUSING
FINANCE CORPORATION

**FORMAL WRITTEN PROTEST AND
PETITION FOR ADMINISTRATIVE HEARING**

Petitioner, CLERMONT RIDGE, LTD (“Clermont Ridge”), pursuant to sections 120.57(3), Florida Statutes (“F.S.”), and Rules 28-110 and 67-60, Florida Administrative Code (“FAC”) hereby files this Formal Written Protest and Petition for Administrative Hearing regarding the scoring decisions of Respondent, FLORIDA HOUSING FINANCE CORPORATION (“Florida Housing”) to award funding to Applicants in response to RFA 2017-111 Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties (“RFA”). In support Clermont Ridge provides as follows:

1. Clermont Ridge is a Florida limited partnership in the business of providing affordable housing. Clermont Ridge is located at 5300 West Cypress, Suite 200, Tampa, Florida 33607. For the purposes of this proceeding, Clermont Ridge's phone number is that of its undersigned attorneys.

2. Florida Housing is the allocating agency for the State of Florida that was granted the authority to issue the RFA for the purpose of providing much needed affordable housing. Florida Housing's address is 227 North Bronough Street, Suite 500, Tallahassee, Florida 32301.

3. On October 6, 2017, Florida Housing issued the RFA and expected to award an estimated \$10,594,934 of competitive Low Income Housing Tax Credits ("Tax Credits") for proposed developments in medium counties and \$384,008 of Tax Credits in small counties. The RFA was subsequently modified on October 27, 2016, and November 29, 2017.

4. Through the issuance of the RFA, Florida Housing sought to solicit proposals from qualified applicants that would commit to construct and/or rehabilitate housing in accordance with the terms and conditions of the RFA, applicable laws, rules, and regulations.

5. On December 20, 2017, Clermont Ridge submitted an Application (assigned application number 2018-112C) in response to the RFA which included information concerning a 70 unit apartment complex in Lake County, Florida named Clermont Ridge Senior Villas. Through the Application, Clermont Ridge requested \$1,250,000 in Tax Credit funding assistance for the project which has an overall development cost of \$13,598,870. Clermont Ridge satisfied all requirements of the RFA. Florida Housing received 167 applications in response to the RFA.

6. As the Owner and Developer of a project seeking funding from the sources being allocated through the RFA, Clermont Ridge is substantially affected by the evaluation and scoring of the responses to the RFA. The results of this and related proceedings may affect Clermont Ridge's ability to obtain funding through the RFA.

7. Consistent with the primary mission and goal of the RFA, the Clermont Ridge Development will provide much needed affordable housing providing apartments for lease at reduced and affordable rents. Without the funds provided by the RFA, Clermont Ridge will be unable to proceed with the Development. Accordingly Clermont Ridge's substantial interests are affected by the decisions made by Florida Housing.

8. At Section Four the RFA lists those items which must be included in a response to the RFA as found in Exhibit A. Included in these items at Section Four (A) is information concerning the Applicant and the Developer and the Development.

9. On April 17, 2018, the designated Review Committee met and considered the Applications responding to the RFA. At the meeting the Review Committee orally listed and manually input the scores for each section of each RFA Response and ultimately made recommendations to the Board of Directors for their consideration. The Review Committee consisted of Florida Housing staff. During the meeting, the Review Committee announced that The Clermont Ridge Application was eligible however not selected for funding. Rather Application 2018-151 (Lofts of Lemon Development Partners, LLC) and 2018-256 (Oaks at Creekside) were selected for funding.

10. On May 4, 2018, Florida Housing's Board of Directors accepted the Review Committee's ranking and funding recommendation. (See Exhibit A)

11. On May 9, 2018, Clermont Ridge timely filed its Notice of Intent to Protest. This Formal Written Protest is being timely filed and Florida Housing has waived the bid protest bond requirement for the RFA. As a Developer of affordable housing in need of supplemental funding, Clermont Ridge's substantial interests are affected by Florida Housing's decision not to award the necessary funding pursuant to the RFA. In this action Clermont Ridge is challenging the scoring of the Loft of Lemon and the Oaks at Creekside Applications. If Clermont Ridge is successful in its challenge it will move into the funding range.

Lofts at Lemon

12. The scoring issues as to Lofts at Lemon concern the failure to provide financial information consistent with the requirements of the RFA.

13. The RFA at page 53 provides what an Applicant must provide in a financing proposal as follows:

(a) Financing Proposal

Financing proposal documentation, regardless of whether the documentation is in the form of a commitment, proposal, term sheet, or letter of intent, must meet the following criteria. Evidence for each funding source must be behind its own numbered attachment.

Each financing proposal shall contain:

- Amount of the construction loan, if applicable;
- Amount of the permanent loan, if applicable;
- Specific reference to the Applicant as the borrower or direct recipient; and
- **Signature of all parties, including acceptance by the Applicant.**

(emphasis added)

14. In response to this requirement Lofts at Lemon provided at Attachment at 18 a letter from JPMorgan Chase, N.A. (See Exhibit B)

15. In the copy included online, Lofts at Lemon as the Applicant failed to sign or agree and accept the terms of the Chase letter. This omission should render the Chase letter not a firm source of financing thereby creating a funding shortfall rendering the Lofts at Lemon Application ineligible.

Oaks of Creekside

16. The scoring issue as to the Oaks of Creekside concerns the demonstration of Site control.

17. At page 33 the RFA requires an Applicant to provide evidence of Site control. One of the ways to provide evidence of Site control is the provision of an “eligible contract”.

18. In response to this requirement Oaks at Creekside at Attachment 8 provided among other documents a Purchase Contract. At the signature page for the Seller the Contract is signed by Erin M. Anton. (See Exhibit C)

19. Upon information and believe Erin M. Acton is not authorized to sign the Contract in that she is not an officer of the Seller. (See Exhibit D)

20. Accordingly the document submitted to demonstrate Site control should not have been accepted.

21. Material issues to be resolved:

- a. Whether Florida Housing's review of the Lofts on Lemon and Oaks at Creekside Applications was inconsistent with the RFA requirements.
- b. Whether Florida Housing review and actions taken concerning Lofts on Lemon and Oaks at Creekside Applications was arbitrary or capricious, clearly erroneous and contrary to competition.
- c. Whether the Lofts on Lemon submitted acceptable information regarding its financing sources.
- d. Whether The Oaks at Creekside has demonstrated acceptable Site control.

WHEREFORE, Clermont Ridge requests a hearing and entry of an order determining that Florida Housing's review and scoring the Lofts on Lemon and Oaks at Creekside Applications was contrary to the RFA specifications and to Florida Housing's governing statutes, rules and policies to such an extent as to be arbitrary, capricious, contrary to competition, and clearly erroneous.

Respectfully submitted,

/s/ Michael P. Donaldson

MICHAEL P. DONALDSON

Florida Bar No. 0802761

CARLTON FIELDS JORDEN BURT, P.A.

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215 S. Monroe St., Suite 500

Tallahassee, Florida 32302

Email: mdonaldson@carltonfields.com

Telephone: 850/224-1585

Facsimile: 850/222-0398

Attorney for Petitioner Clermont Ridge, Ltd.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and a copy of the foregoing has been filed by E-Mail and Hand Delivery to Ana McGlamory Corporation Clerk, Florida Housing Finance Corporation, 227 N. Bronough Street, Suite 5000, Tallahassee, FL 32301, this 21st day of May 2018.

/s/ Michael P. Donaldson

MICHAEL P. DONALDSON

RFA 2017-111 - Review Committee Recommendations

Total HC Available for RFA	10,978,942.00
Total HC Allocated	10,737,916.00
Total HC Remaining	241,026.00

Small County HC Available for RFA	384,008.00
HC Allocated to Small Counties	384,000.00
Total Small County HC Remaining	-
Medium County HC Available for RFA	10,594,934.00
Plus unallocated HC from Small County funding	8.00
HC Allocated to Medium Counties	10,353,916.00
Total Medium County HC Remaining	241,026.00

Application Number	Name of Development	County	County Site	Name of Authorized Principal Representative	Name of Developers	Total Set Aside Units	Competitive HC Request Amount	Qualifies for the Geographic Area of Opportunity / HUD-designated SAODA Funding Goal?	Total Points	Proximity Funding Preference	Per Unit Construction Funding Preference	Development Category Funding Preference	Leveraging Classification	Florida Job Creation Preference	Lottery Number
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Small County Applications															
2018-219C	Southern Villas of Madison	Madison	S	Martin H. Petersen	Hallmark Development Partners, LLC	36	384,000.00	N	10	Y	Y	N	A	Y	53

Medium County Geographic Area of Opportunity / HUD-designated SAODA Funding Goal															
2018-151C	Lofts on Lemon	Sarasota	M	Joseph J Chameers	Gardner Capital Development Florida, LLC; SHA Affordable Development, LLC; DB Development Florida, LLC	76	1,510,000.00	Y	10	Y	Y	Y	A	Y	2

Other Medium County Applications selected															
2018-207C	Sunset Lake	Polk	M	Matthew A Rieger	HTG Sunset Developer, LLC	96	1,505,520.00	N	10	Y	Y	Y	A	Y	3
2018-197C	Arbours at Heeter Lake	Pasco	M	Sam T Johnston	Arbour Valley Development, LLC	80	1,447,900.00	N	10	Y	Y	Y	A	Y	4
2018-260C	Colonnade Park	Citrus	M	Oscar A Sol	Colonnade Park Dev, LLC	106	1,510,000.00	Y	10	Y	Y	Y	A	Y	7
2018-256C	Oaks at Creekside	Manatee	M	Matthew A Rieger	HTG Creekside Developer, LLC	96	1,505,520.00	Y	10	Y	Y	Y	A	Y	9
2018-150C	Lucas Creek	Escambia	M	James R. Hoover	TVC Development, Inc.	92	1,510,000.00	N	10	Y	Y	Y	A	Y	11
2018-105C	Harpert's Pointe	Alachua	M	Jeffrey W Smith	JES Dev Co, Inc.	66	1,015,000.00	N	10	Y	Y	Y	A	Y	13
2018-126C	Orangemon Village Phase 1	Polk	M	Martin H. Petersen	Hallmark Development Partners, LLC	34	349,976.00	N	10	Y	Y	N	A	Y	117

Attachment

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December 18, 2017

Joe Chambers
Managing Director-Southeast
Gardner Capital, Inc.
205 E. Central Blvd., Suite 304
Orlando, FL 32801

**Re: Lofts on Lemon
 Sarasota, Sarasota County, Florida**

Dear Mr. Chambers:

Thank you for considering JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or "Lender") as a potential construction and permanent lender for the development of affordable rental housing to be known as **Lofts on Lemon** and located in Sarasota County, Florida. We have completed a preliminary review of the materials you have submitted, and the following is a brief outline of the terms that we propose to underwrite for credit approval. Of course, this letter is for discussion purposes only and does not represent a commitment by JPMorgan Chase to provide financing for the project nor an offer to commit, but is rather intended to serve as a basis for further discussion and negotiation should you wish to pursue the proposed transaction. Our interest and preliminary terms are subject to change as our due diligence and discussions with you continue. Such a commitment can only be made after due diligence materials are received, reviewed and approved and credit approval has been obtained.

Borrower: Lofts on Lemon Development Partners, LLC

Developer: Gardner Capital Development Florida, LLC, SHA Affordable Development, LLC and DB Development Florida, LLC

General Partner: Lofts on Lemon GP, LLC

Project: Lofts on Lemon will consist of a 76-unit affordable housing development targeted towards families and located at 851 N. Lemon Avenue in Sarasota, Sarasota County, Florida.

Construction Loan

Amount: Approximately \$12,000,000; subject to final budget, sources and uses of funds, and LIHTC equity pay-in schedule.

Initial Term: 24 months.

Interest Rate: Libor + 250 bps (3.98% as of December 13, 2017).

Commitment Fee: 1% of the loan amount.

Extension Option: One, conditional, six-month maturity extension.

JPMorgan Chase Bank, N.A. • 100 North Tampa Street, 33rd Floor, Tampa, FL 33602
Telephone: 813.483.8297 • tammy.haylock-moore@chase.com

Extension Fee: 0.25% of the remaining loan commitment amount.

Collateral: First mortgage; other typical pledges and assignments.

Guarantee: Full payment and completion guarantees and environmental indemnity by a guarantor or guarantors/indemnitor(s) satisfactory to JPMorgan Chase.

Developer Fee: Assigned to Lender. Notwithstanding provisions of the LP or LLC Agreement, any payments of developer fee prior to permanent debt conversion are subject to Lender's prior approval and control.

Tax Credit Equity: At least 15% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to the Lender in its sole discretion.

Subordinate Liens: Subordinate financing will be permitted subject to approval of terms by JPMorgan Chase and Impact.

Repayment: Construction Loan will be repaid with principal reductions from equity funded at or subsequent to construction completion and the Permanent Loan.

Loan to Value: Up to 80% including the value of the real estate and tax credits.

Contract Bonding: 100% Payment and Performance Bonds from "A" rated surety

Permanent Loan

Amount: \$2,400,000 subject to final underwriting. Permanent Loan to be sold to Impact CIL, LLC ("Impact") in accordance with, and subject to satisfaction of, Impact's requirements.

Forward Commitment: 24 months plus one six-month option.

Fees: Loan Fee: The greater of 0.75% of the perm loan or \$17,500, payable at Construction Loan closing.
Conversion Fee: \$10,000, payable at Permanent Loan closing.

Interest Rate: The applicable interest rate for the Permanent Loan shall be locked at Construction Loan closing. Current indicative rate is 6.0%.

Please note that credit markets are volatile. Loan fees and interest rates are subject to adjustment prior to commitment.

Rate Lock: Forward rate lock must be secured by a second lien subordinate note. The subordinate note is equal to the lesser of 3% of the Permanent Loan amount or Yield Maintenance Amount. At stabilization/conversion closing, the secured subordinate lien will be released. Security forfeited if loan does not convert.

Term: 18 years.

Amortization: 30 years.

Collateral: First mortgage; other typical pledges and assignments.

Guarantee: After conversion, the Permanent Loan shall be non-recourse to the Borrower, except as to standard carve-outs for the Borrower, General Partner, and Key Principals.

Loan to Value: Up to 85% of the stabilized rent-restricted value.

Conversion Requirements:

- 1.20x debt service coverage ratio (DSCR); 1.15x all-in DSCR including all loans requiring debt service payment. Commercial income will be excluded from DSCR analysis.
- 90% economic and physical occupancy for 90 days.

Prepayment Terms: Prepayments are subject to yield maintenance, except for the last three years of the term. During the last three years, the prepayment fee will be 1% of the loan balance. There is no prepayment fee during the final 90 days of the term.

Escrows/Reserves: Escrows required for property taxes, insurance, and replacement reserves. Minimum replacement reserve of \$250/unit/year or as required by Equity. Debt service reserve shall be funded with a minimum contribution of six months of debt service expense.

We appreciate the opportunity to discuss the possibility of providing construction and permanent financing for the proposed project with you. This letter of interest is for your and Florida Housing Finance Corporation's information and use only, and is not to be shown to or relied upon by other parties. Please note that JPMorgan Chase and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein or otherwise. JPMorgan Chase and its affiliates may share information about you in connection with the potential transaction or other possible transactions with you.

This letter, which expires December 31, 2018, serves as an outline of the principal terms of the proposed facility, and is subject to receipt and satisfactory review of all due diligence materials by Lender and to change as described above. Please note that JPMorgan Chase cannot extend any legally binding lending commitment until formal credit approval has been obtained and a commitment letter has been issued.

Sincerely,

JPMORGAN CHASE BANK, N.A.

By: 
Tammy Haylock-Moore, Authorized Officer

Agreed and Accepted By:

Lofts on Lemon Development Partners Development Partners, LLC, a Florida limited liability company

By: Lofts on Lemon GP, LLC

By: _____
Joseph Chambers, Manager

Attachment

8

ASSIGNMENT

General Assignment

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HOUSING TRUST GROUP, LLC, a Florida limited liability company ("*Assignor*") does hereby transfer, assign and convey to HTG CREEKSIDE, LLC, a Florida limited liability company ("*Assignee*"), all of Assignor's right, title and interest in and to the following in connection with certain real property located in Manatee County, and legally described in the attached Exhibit A ("*Real Property*"), those certain improvements (if any) located on the Real Property ("*Improvements*"), and any personal property owned by Assignor (if any) and located on or in the Real Property or Improvements ("*Personal Property*"), which Real Property, Improvements and Personal Property are collectively referred to as the "*Property*":

1. To the extent assignable at no material cost to Seller, any unexpired warranties in connection with the construction, installation, maintenance and repair of the Improvements and purchase of the Personal Property.

2. To the extent assignable at no material cost to Seller, any management agreement, service or supply contract, equipment leases and any other agreements with independent contractors relating to the management, operation and maintenance of the Improvements and Personal Property.

3. To the extent assignable, any rights of Assignor in and to all zoning and development entitlements, development rights, permits, licenses, approvals, authorizations and all other rights, privileges and intangibles existing in connection with or appurtenant the Real Property, and all plans, specifications, drawings, surveys and reports relating to the Property and Improvements to the extent that Assignor has the right and ability to convey such rights, provided Assignee shall pay any third-party costs associated with such assignment.

4. To the extent assignable at no material cost to Seller, any rights of Assignor in any owners association in connection with the Property.

Assignee hereby accepts the above assignments and assumes all obligations and liabilities arising out of or relating to any of the above, accruing on and after the date hereof, and Assignee shall indemnify and hold Assignor harmless from and against any and all liabilities and obligations arising out of or relating to any of the above, accruing on and after the date hereof. Likewise, Assignor shall indemnify and hold Assignee harmless from and against any and all liabilities and obligations arising out of or relating to any of the above, accruing prior to the date hereof.

That certain purchase contract between SR 70 LAND BRADENTON, LLC, a Delaware limited liability company and Assignor having an Effective Date of December 5, 2017 (the "**Contract**"), shall be in full force, except as otherwise set forth in this assignment.

"ASSIGNOR"


Housing Trust Group, LLC

A Florida limited liability company

By:

Name:

Title:



Matthew Rieger

12/18/2017, Manager

"ASSIGNEE"


HTG Creekside, LLC

A Florida limited liability company,

By:

Name:

Title:



Matthew Rieger

12/18/2017, Manger

EXHIBIT A

REAL PROPERTY

The East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 8, Township 35 South, Range 18 East, Manatee County, Florida, LESS the portions thereof described in Deed Book 375, page 461 and OR Book 1480, page 2053, Public Records of Manatee County, Florida.

PURCHASE CONTRACT
(Bradenton – Oaks at Creekside)

THIS PURCHASE CONTRACT (this "**Contract**"), is entered into as of the Effective Date (as hereinafter defined) by and between **SR 70 LAND BRADENTON LLC**, a Delaware limited liability company ("**Seller**"), and **HOUSING TRUST GROUP, LLC**, a Florida limited liability company ("**Purchaser**").

Recitals

Seller is the owner in fee simple of the REO Property (as hereinafter defined).

Seller desires to sell and Purchaser desires to purchase, Seller's interest in the REO Property, subject to all of the terms and conditions of this Contract.

Agreement

For good and valuable consideration, the receipt and sufficiency of which are acknowledged by Seller and Purchaser, and in consideration of the above recitals and the mutual covenants set forth in this Contract, the parties hereto agree as follows:

1. **Incorporation of Recitals; Certain Definitions**

Each of the Recitals set forth above are hereby incorporated herein by this reference. Initially capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in Exhibit A attached to this Contract and hereby incorporated herein by this reference.

2. **Sale and Purchase**

- (a) Seller agrees to sell, convey, and assign to Purchaser, without recourse and without representation or warranty except as expressly set forth herein and in the instruments to be delivered at Closing, and Purchaser agrees to purchase and accept from Seller, for the Purchase Price (as hereinafter defined) on and subject to the terms and conditions set forth in this Contract, the REO Property.
- (b) It is the intention of the parties hereto that the REO Property shall be sold by Seller and purchased by Purchaser at Closing, pursuant to and in accordance with the terms and provisions of this Contract. Purchaser hereby agrees and acknowledges that it shall have no right hereunder to purchase less than the entire REO Property and Seller agrees and acknowledges that it shall have no right to sell less than the entire REO Property.

3. **Purchase Price, Independent Contract Consideration, and Earnest Money**

- (a) The purchase price ("**Purchase Price**") to be paid by Purchaser to Seller for the REO Property is One Million Four Hundred Thousand and 00/100 Dollars (\$1,400,000.00).

- (b) The Purchase Price shall be payable in cash or via federal funds wire transfer at the Closing (as hereinafter defined).
- (c) Within Five (5) Business Days after the execution and delivery of this Contract by the later party to execute and deliver this Contract, Purchaser shall deliver to the Escrow Agent a copy of this Contract and the sum of Twenty Thousand and 00/100 Dollars (\$20,000.00) ("*Earnest Money*"), to be held in escrow in accordance with the terms hereof.
- (d) Within Five (5) Business Days following the expiration of the Financing Contingency Period, Purchaser shall deliver to Escrow Agent the additional sum of Forty Thousand and 00/100 Dollars (\$40,000.00) (the "Additional Earnest Money"). Such initial Earnest Money shall be increased by the amount of the Additional Earnest Money and, for all purposes hereunder, the term Earnest Money shall refer to the Earnest Money and Additional Earnest Money (but only if paid and to the extent applicable) together, totaling the amount of Sixty Thousand and 00/100 Dollars (\$60,000.00). If this Contract is not terminated by Purchaser prior to the expiration of the Due Diligence Period, then the Earnest Money shall be immediately fully earned by Seller and non-refundable to Purchaser after the expiration of the Due Diligence Period (except as specifically provided otherwise in this Contract, including, without limitation, Section 4(c)); provided, however, that the entirety of the Earnest Money shall be applied towards payment of the Purchase Price in the event of a closing and in accordance with the terms hereof. Time is of the essence with respect to Purchaser's obligation to deposit the Earnest Money.

4. **Documents Delivered to or Obtained by Purchaser; Low Income Housing Tax Credits; Termination Right**

- (a) Seller has previously delivered the Due Diligence Materials to Purchaser. Except as otherwise stated herein, the furnishing of the Due Diligence Materials is without any representation or warranty by Seller with respect thereto, whether express or implied, or with respect to the right of Purchaser to rely on the Due Diligence Materials, all of which were prepared by third parties.
- (b) Purchaser shall have the right to terminate this Contract at any time prior to or on the date which is sixty (60) days from the Effective Date (the "*Due Diligence Period*") upon written notice thereof to Seller, for any reason that, in Purchaser's sole and absolute discretion, makes Purchaser's plans to develop and build improvements for multifamily housing in the RFO Property not feasible, in which event the Earnest Money shall be promptly returned to Purchaser by Escrow Agent and neither party shall have any further liability or obligation hereunder (except for any indemnification and other obligations that may survive any termination hereunder); provided, however, that if Purchaser does not give written notice to Seller prior to the expiration of the Due Diligence Period of the termination of this Contract, then Purchaser shall no longer have any right to terminate this Contract (except as otherwise described in Section 4(c) of this Contract). Purchaser shall

have the opportunity to review the Due Diligence Materials, to enter upon the REO Property, and to perform such other reviews, investigations and inquiries as it deemed appropriate in order to determine that the REO Property is acceptable to Purchaser in its sole discretion (collectively, the "*Due Diligence*"), and if the Due Diligence Period expires before Purchaser's termination of this Contract, Purchaser shall be deemed to have found the Property to be acceptable to Purchaser in Purchaser's sole discretion. Before or after the expiration of the Due Diligence Period, Purchaser shall have a right to enter upon the REO Property after Seller's approval, and to perform any other reviews, investigations or inquiries approved by Seller.

- (c) Purchaser shall apply before December 28, 2017 for, and use commercially-reasonable efforts to obtain an allocation of low income housing tax credits related to Purchaser's purchase and development of the REO Property. If Purchaser has not submitted application for such allocation by such date, Seller or Purchaser may immediately terminate this Contract. **Notwithstanding anything contained herein to the contrary, in the event that Purchaser is unsuccessful in obtaining an allocation of low income housing tax credits related to Purchaser's purchase and development of the REO Property before the expiration of the Financing Contingency Period, then Purchaser may terminate this Contract before the expiration of the Financing Contingency Period by giving written notice of such termination to Seller for the sole reason of Purchaser's failure to obtain an allocation of low income housing tax credits related to Purchaser's purchase and development of the REO Property, in which event the Earnest Money shall be promptly returned to Purchaser by Escrow Agent and neither party shall have any further liability or obligation hereunder (except for any indemnification and other obligations that may survive any termination hereunder). Any Financing Contingency Period Extension Fees paid by Purchaser to Seller shall be retained by Seller and shall not be refunded or returned to Purchaser.**
- (d) Purchaser shall defend, indemnify, and hold harmless the Indemnified Parties from and against all losses, costs, damages, claims, and liabilities (whether arising out of injury or death to persons or damage to any asset or otherwise) including, but not limited to, costs of remediation, restoration and other similar activities, mechanic's and materialmen's liens and reasonable attorneys' fees, resulting from the entry by Purchaser or any agent of Purchaser upon the REO Property, if any; provided, however, that Purchaser shall have no responsibility or liability for (a) any negligent act or willful misconduct of any Indemnified Party; (b) any adverse condition or defect on or affecting the REO Property not caused or exacerbated by Purchaser or its employees, agents, consultants, or contractors but discovered during their inspections (if any) including, without limitation, the pre-existing presence or discovery of any matter (such as, but not limited to, any Hazardous Substances); and/or (c) the results or findings of any inspection or the disclosure of such results or findings. Notwithstanding the foregoing provisions of this Section 4(d), Purchaser, for itself and its successors and assigns, hereby releases Seller and waives any and all claims and damages that Purchaser may have against Seller now

or in the future related to or stemming from any adverse condition or defect on or affecting the REO Property now or in the future. The provisions of this Section 4(d) shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Contract.

- (e) If Seller grants Purchaser the right to enter the REO Property for any reason, then prior to entering onto the REO Property, Purchaser, at its sole cost and expense, shall obtain and maintain in effect, and shall cause its agents, contractors, subcontractors and other authorized representatives to obtain and maintain in effect, the following forms of insurance coverage:
- (i) Workers compensation and employer's liability insurance issued for protection of all employees engaged in Due Diligence activities, if any.
 - (ii) Commercial general liability insurance with a minimum combined bodily injury and property damage limit of not less than \$2,000,000 per occurrence. Such insurance shall include the following coverages with respect to such Due Diligence activities, if any: (A) products and completed operations; (B) blanket contractual liability (including, without limitation, with respect to the indemnities in Section 4(d) and Section 30 of this Contract); (C) premises and operations; and (D) broad form property damage. Such insurance shall be written on an occurrence basis (and not on a claims made basis), shall be deemed to be primary and noncontributing with any insurance that may be carried by Seller, and shall name Seller as an additional insured.
 - (iii) Professional errors and omissions liability for surveyors only with a limit of not less than \$1,000,000 per occurrence.
 - (iv) Automotive liability for bodily injury with a limit of not less than \$2,000,000 per occurrence.

Prior to entering onto the REO Property for any reason, Purchaser shall: (a) request authorization from Seller in writing to enter the REO Property, which shall not be unreasonably withheld or conditioned by Seller; and (b) deliver to Seller a certificate of insurance with respect to the insurance required under this Section 4(e). The certificate shall provide that the coverage therein evidenced shall not be terminated, amended or canceled, except by written notice to Seller at least thirty (30) days prior to the effective date thereof, regardless of whether such termination, amendment or cancellation is initiated by Purchaser or the insurance carrier. All insurance required of Purchaser hereunder shall be issued by insurance carriers which are authorized to transact business in the State and are rated at least "B+ Class V" by Best's Insurance Reports.

5. **Closing**

(a) The Closing shall occur in the offices of Title Company, or such other location as the parties shall mutually designate, on a mutually agreeable date occurring on or before the Closing Date. Time is of the essence with respect to the Closing Date.

(b) At the Closing, all of the following shall occur, all of which shall be deemed concurrent conditions:

(i) Seller shall deliver or cause to be delivered to Purchaser or Title Company all of the following:

- (1) The Deed;
- (2) The Bill of Sale;
- (3) The General Assignment;
- (4) All original (or a copy thereof in the event Seller does not possess an original) Licenses and Permits with respect to the REO Property and in the possession or control of Seller's Representative;
- (5) A FIRPTA affidavit of an authorized officer of Seller;
- (6) Such reasonable notice of change of ownership of the REO Property to service providers, if any, as Purchaser shall reasonably require;
- (7) Such affidavits and other evidence as the Title Company may require so as to enable the Title Company to issue the Title Policy in accordance with this Contract, and satisfactory evidence that all necessary corporate, partnership, or other action on the part of Seller has been taken with respect to the consummation of the transaction contemplated hereby so that the Deed and documents executed at the Closing on behalf of Seller are or will be validly executed and delivered and will be binding upon the Seller; and
- (8) Such other documents as Seller and Purchaser, in their reasonable discretion, mutually deem necessary or appropriate for the legal transfer of Seller's right, title and interest in and to the REO Property.

(ii) Purchaser shall deliver or cause to be delivered to Seller or Title Company all of the following:

- (1) The Purchase Price in cash or immediately available wire transferred funds less the amount of the Earnest Money;

- (2) Evidence reasonably satisfactory to Seller that the person executing any documents at the Closing on behalf of Purchaser has full right, power, and authority to do so;
 - (3) The General Assignment; and
 - (4) Such other documents as may be reasonably requested by Seller in connection with Purchaser's acquisition of the REO Property.
- (c) At the conclusion of Closing, full possession of the REO Property shall be delivered to Purchaser subject only to the Permitted Exceptions.

6. **Termination, Default, and Remedies**

- (a) If Purchaser fails or refuses to consummate the purchase of the REO Property, or any portion thereof, pursuant to this Contract at the Closing and provided Seller is not otherwise in default, Seller's sole and exclusive remedy shall be to retain the Earnest Money, as full, fixed and liquidated damages, not as a penalty, the parties hereby acknowledging the difficulty of ascertaining Seller's damages in such a circumstance and agreeing that this remedy represents a reasonable and mutual attempt by Seller and Purchaser to anticipate the consequence to Seller of such breach by Purchaser, whereupon this Contract shall terminate. Thereafter, unless Purchaser breaches or is in default of this Contract for other than a breach for failure or refusing to consummate the purchase of the REO Property, or any portion thereof, Purchaser and Seller shall be relieved of further liability hereunder, at law or in equity, it being the agreement of the parties that Purchaser shall have no other liability or obligation for default hereunder, except for such indemnification and other obligations as may, under the terms hereof, survive termination of this Contract. In the event of any breach by Purchaser other than for Purchaser's failure or refusal to consummate the purchase of the REO Property, or any portion thereof, pursuant to this Contract at Closing, Seller shall retain the Earnest Money and shall have all other rights and remedies provided hereunder at law or in equity as a result of any such breach or default by Purchaser under this Contract.
- (b) If Seller fails or refuses to consummate the sale of the REO Property pursuant to this Contract at the Closing or fails to perform any of Seller's other obligations under this Contract either prior to or at the Closing for any reason other than (i) the termination of this Contract by Purchaser, or (ii) Purchaser's failure to perform Purchaser's obligations under this Contract, on or prior to the Closing Date, then Purchaser shall have the right, as its sole and exclusive remedies, to either: (A) terminate this Contract by giving written notice of the termination to Seller prior to or at the Closing, whereupon the Earnest Money shall be promptly delivered to Purchaser, free of any claims by Seller; or (B) proceed with any remedies available to Purchaser at law or in equity, which may include, without limitation, the commencement of an action against Seller for specific performance of this Contract or similar legal or equitable action; provided, however, that Purchaser shall not be entitled to pursue any action for specific performance against Seller if (1) Seller is

prevented from performing as a result of an order or regulation of any governmental or regulatory authority having jurisdiction over Seller or any affiliate thereof, or (2) performance by Seller would or is likely to result in the levy of a fine, imposition of any reserve requirement or any other regulatory action that has a material adverse effect (apart from the act of specific performance) on Seller or any affiliate undertaken by any such governmental or regulatory authority. Thereafter, Purchaser and Seller shall be relieved of further liability hereunder (except to the extent indemnification and other obligations of Purchaser and Seller survive termination), at law or in equity, it being the agreement of the parties that Seller shall have no liability or obligation for default hereunder except to the extent of the amounts set forth herein, and in no event shall Seller's liability or responsibility for any failure, breach or default hereunder exceed the total amounts set forth herein, and in no event shall Purchaser be entitled to any other equitable remedies. As of the Effective Date, Seller has no actual knowledge of any order or regulation of any governmental or regulatory authority which would prohibit or prevent this transaction or result in the imposition of a fine, imposition of an additional reserve requirement or any other action that has a material adverse effect on Seller or any affiliate in connection with this transaction.

- (c) If either Seller or Purchaser becomes entitled to the Earnest Money upon termination of this Contract in accordance with its terms, and if at such time Escrow Agent is holding the Earnest Money, Purchaser and Seller covenant and agree to deliver a letter of instruction to the Escrow Agent directing prompt disbursement of the Earnest Money to the party entitled thereto. If either party fails or refuses to sign or deliver such instruction letter when the other party is entitled to disbursement of the Earnest Money such party shall pay, upon the final order of a court with appropriate jurisdiction, all reasonable attorneys' fees and expenses (including, without limitation, court costs and fees and expenses of expert witnesses and other professionals) incurred by the party so entitled to the Earnest Money in connection with the recovery of the Earnest Money. This obligation shall survive termination of this Contract.

7. **Seller's Covenants, Agreements, Representations, and Warranties**

- (a) In consideration of Purchaser's entering into this Contract and as an inducement to Purchaser to purchase the REO Property, Seller hereby makes the following representations and warranties, each of which is material and shall be true and accurate as of the date hereof and as a condition precedent to Purchaser's obligation to close hereunder:
- (i) This Contract has been duly and validly authorized, executed and delivered by Seller and no other action is requisite to the valid and binding execution, delivery and performance of this Contract by Seller.
- (ii) Seller has the right, power, legal capacity, and authority to execute and deliver this Contract and to consummate the transactions contemplated by this Contract;

(iii) The individual or individuals executing this Contract and any and all documents contemplated hereby on behalf of Seller has or have the legal power, right, and actual authority to bind Seller to the terms and conditions contained in this Contract and in such documents;

(iv) To the best of Seller's knowledge, there are no lawsuits pending or threatened which relate to the REO Property or that would have a material adverse effect on the transactions contemplated by this Contract; and

(v) To the best of Seller's knowledge, there are no leases, licenses or other agreements for possession or occupancy of the REO Property pursuant to which any person or entity has any current interest or future right or interest to the occupancy, possession or use of all or any portion of the REO Property.

(b) Seller covenants with Purchaser as follows:

(i) Except as may be required by law or consented to by Purchaser in writing (such consent not to be unreasonably withheld or delayed), Seller agrees that from and after the Effective Date until Closing or earlier termination of this Contract, Seller shall not consent to or enter into any easements or other encumbrances upon the REO Property;

(ii) Seller shall notify Purchaser promptly upon receipt by Seller's Representative prior to Closing of written notice of the institution or pendency of any lawsuit against or affecting the REO Property, or relating to or arising out of the ownership of such REO Property;

(iii) From the Effective Date until Closing or earlier termination of this Contract, Seller shall not enter into, modify, or terminate any lease, license or other permission to occupy the REO Property, without Purchaser's consent, which consent shall not be unreasonably withheld by Purchaser; and

(iv) Except as may be required by law or consented to by Purchaser in writing (such consent not to be unreasonably withheld or delayed), Seller agrees that from and after the Effective Date until Closing or earlier termination of this Contract, Seller shall not consent to, permit or enter into any easements or other encumbrances upon or affecting the REO Property;

(v) Seller shall notify Purchaser promptly upon receipt by Seller's Representative prior to Closing of written notice of the institution or pendency of any action, suit, or proceeding against or affecting the REO Property, or relating to or arising out of the ownership of such REO Property; and

(vi) From the expiration of the Effective Date until Closing or earlier termination of this Contract, Seller shall not (i) enter into, permit, allow, modify, or terminate any lease, license or other permission to occupy the REO Property, or (ii) permit any lease to terminate or be terminated (to the extent under the control of Seller), without Purchaser's prior written consent.

(vii) Purchaser intends to engage in certain activities in order to determine the feasibility of obtaining the necessary approvals from the applicable Governmental Authorities for the development of the REO Property (collectively, the "**Governmental Approvals**"). During the term of this Contract, Seller covenants and agrees that, to the extent that Purchaser may reasonably request, it and its legal counsel will cooperate in good faith and assist Purchaser in Purchaser's efforts to obtain access to and information from the Governmental Authorities which may have authority for issuing the Governmental Approvals, including, without limitation, reasonably cooperating with Purchaser in connection with Purchaser's efforts to obtain the low income housing tax credits and also reasonably cooperating with Purchaser in connection with Purchaser's efforts as it relates to all planning and zoning approvals. For that purpose, Purchaser shall inform Seller of all intended submittals to the correspondent Planning and Zoning Department(s), and Seller may reasonably object to such submittal, in which case Purchaser shall restrain from submitting until Seller's approval.

(viii) Seller further covenants that so long as this Contract remains in force and effect and continuing to and through the Closing, Seller will:

1. Not enter into, record or file for record, or allow to be entered into, recorded or filed for record, any agreement, document or instrument which will affect the title to or Purchaser's contemplated use of the REO Property and Seller shall cause any such new matters to be promptly removed from title to the REO Property.

2. Not convey any interest in the REO Property, and Seller will not subject the REO Property to, or allow the REO Property to become subject to, any contracts, agreements, additional liens, encumbrances, covenants, conditions, easements, rights of way, agreements or similar matters after the date of this Contract which will not be eliminated prior to the Closing Date.

3. Not make or allow any material alterations to the REO Property, or make, apply for or process any zoning, variance, subdivision, land use or development application or land use change with respect to the REO Property, without Purchaser's prior written consent, which consent may be withheld in Purchaser's sole and absolute discretion.

4. Maintain the REO Property in substantially the same condition as of the date of this Contract, ordinary wear and tear excepted, and in compliance with all applicable laws and local ordinances.

5. Not enter into any new lease, license or other occupancy agreement with respect to the REO Property, or modify, amend or otherwise revise any existing Lease, license or occupancy agreement at the REO Property.

6. Not enter into any contract or agreement providing for the provision of goods or services to or with respect to the REO Property or the operation thereof unless such contracts or agreements can be terminated upon notice without penalty, or unless Purchaser otherwise approves such contract in advance in writing.

7. Not process any request to change the zoning of the REO Property or amend any subdivision map in process affecting the REO Property or amend or modify any other entitlements or development standards applicable to the REO Property without the Purchaser's consent.

8. Not introduce or release, or knowingly permit the introduction or release, of any Hazardous Substances in, from, under, on or about the REO Property.

- (c) Each of the representations, warranties and covenants made by Seller in this Section 7 hereof shall not merge into the Deed or other closing documents but shall survive Closing for a period of Ninety (90) days (the "*Survival Period*"). At 11:59 P.M. on the last day of the Survival Period, all such representations, warranties and covenants of Seller, including without limitation those in this Contract, shall terminate and expire and shall thereafter be of no further force or effect unless, prior to such date, Purchaser has made a claim against Seller relating to any such representation, warranty or covenant. If Purchaser fails to provide written notice to Seller of a breach or default with respect to any of such representations, warranties and covenants of Seller during the Survival Period, any and all remedies of Purchaser with respect to any such breach or default on the part of Seller under any such representations, warranties or covenants, shall expire, and thereafter Purchaser shall have no other remedy or recourse against Seller whatsoever, except in the event of fraud.
- (d) For purposes of this Contract and any document delivered at Closing, all references to Seller's knowledge, including, without limitation, whenever the phrase "to Seller's actual knowledge," or the "knowledge" of Seller or words of similar import are used, they shall be deemed to refer to facts within the actual, personal knowledge of Seller's Representative, who Seller confirms is the current employee of Seller or Seller's affiliate who has the most knowledge with respect to the REO Property, only and no others, only at the times indicated, without investigation or inquiry, or obligation to make investigation or inquiry, and in no event shall the same include any knowledge imputed to Seller by any other person or entity.
- (e) Each of the representations, warranties and covenants made by Seller herein, including, without limitation, in this Section 7 hereof, shall be deemed to be repeated as of the Closing Date and is made subject to, and shall be deemed to be modified by, any information to the contrary set forth or directly referenced in any of the Due Diligence Materials. Purchaser shall be deemed to have knowledge of all information and circumstances set forth, described or otherwise directly referenced in any of the Due Diligence Materials. In no event shall Seller be

deemed to be in breach of any representation or warranty made by Seller herein, including, without limitation, in this Section 7 hereof, on account of any information or circumstance of which Purchaser has actual knowledge on or prior to the Closing Date.

8. **Purchaser's Covenants, Agreements, Representations, and Warranties**

(a) Purchaser hereby makes the following representations, warranties and agreements which shall have been deemed to have been made as of the Closing Date:

(i) Purchaser has relied and shall continue to rely on its own investigation and other than Seller's express covenants, representations and warranties set forth herein and in the instruments to be delivered at Closing. Purchaser has not relied and shall not rely upon any oral statements or representations made by Seller or its personnel or agents and acknowledges that no employee or representative of Seller has been authorized to make any such statements or representations.

(ii) Purchaser represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate, and that it is relying solely on its own expertise and that of Purchaser's consultants in purchasing the REO Property. Purchaser acknowledges that all information obtained by Purchaser has been and will be obtained from a variety of sources and Seller will not be deemed to have represented or warranted the completeness, truth or accuracy of any of the Due Diligence Materials or other such information heretofore or hereafter furnished to Purchaser, except as expressly set forth herein and in the instruments to be delivered at Closing. Upon Closing, Purchaser will assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Purchaser's inspections and investigations.

(iii) Consistent with Section 12 below, neither Seller nor Purchaser have dealt with any broker, investment banker, agent or other person, except the Broker (as defined herein), who may be entitled to any commission or compensation in connection with the sale of the REO Property or any portion thereof.

(iv) Purchaser acknowledges and agrees that, except as expressly set forth in this Contract and in the instruments to be delivered at Closing, the REO Property is being sold on an "as is" "where is" and "with all faults" basis on the terms and conditions herein set forth. The Purchase Price reflects the "as is, where is" nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the REO Property. PURCHASER, WITH PURCHASER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS CONTRACT, AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF. PURCHASER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS CONTRACT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE REO

PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS AND ACKNOWLEDGMENTS SET FORTH IN THIS CONTRACT.

(v) Purchaser expressly agrees and acknowledges that (i) Purchaser's obligations hereunder are not in any way conditional upon, or qualified by, Purchaser's ability to obtain financing of any type or nature whatsoever (i.e., whether by way of debt, financing or equity investment or otherwise) to consummate the transactions contemplated hereby, and (ii) Purchaser shall not use all or any portion of the proceeds of any loan or other credit accommodation from Seller or Seller's parent, subsidiaries or affiliates (including, without limitation, Wells Fargo Bank, N.A.) in order to pay any portion of the Purchase Price without Seller's prior written consent.

(vi) Purchaser represents that it has full power and authority and has taken all action necessary to authorize it to enter into and perform its obligations under this Contract and all other documents or instruments contemplated hereby. Purchaser represents and warrants that this Contract has been duly authorized, executed and delivered by Purchaser. This Contract constitutes the legal, valid and binding obligation of Purchaser enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or similar laws. Purchaser represents and warrants that the execution, delivery and performance of this Contract by Purchaser does not conflict with the organizational documents of Purchaser, or with any law, statute or regulation applicable to Purchaser, or any mortgage, indenture or other contract or agreement to which Purchaser is a party. Purchaser represents and warrants that no litigation exists against Purchaser that would have a material adverse effect on the transactions contemplated by this Contract.

(vii) Purchaser hereby agrees and acknowledges that Seller shall have no responsibility or liability to Purchaser arising out of or related to any third parties' failure to assist or cooperate with Purchaser.

(viii) Purchaser shall not institute any enforcement or legal action or proceeding in the name of Seller. Purchaser shall not, except where circumstances reasonably require revealing the purchase of the REO Property from Seller, make reference to Seller or Wells Fargo Bank, N.A. in any correspondence to or discussion with any sale, rental or other disposition of the REO Property. Except as specified above, Purchaser shall not use Seller's or Wells Fargo Bank, N.A.'s name, or any name derived therefrom or confusingly similar therewith in connection with Purchaser's management of the REO Property. Purchaser agrees and acknowledges that there may be no adequate remedy at law for a violation of the terms of this Section, and Seller shall have the right to seek the entry of an order by a court of competent jurisdiction enjoining any violation hereof. Notwithstanding anything contained herein to the contrary, this paragraph shall survive the Closing and the Survival Period indefinitely.

(ix) Purchaser hereby acknowledges that Purchaser has taken a recent tour and inspection of the REO Property.

(xi) Purchaser acknowledges and agrees that the Title Company also serves as counsel to Seller in connection with the subject transaction. Purchaser waives any conflicts relating thereto.

(b) Except as specifically noted herein, each of the representations, warranties and covenants made by Purchaser in this Contract shall not merge into any Deed or other closing documents but shall survive Closing until the expiration of the Survival Period.

9. **No Recording or Filing**

Neither this Contract nor a memorandum thereof shall be filed or recorded by Seller or Purchaser unless the same is required in conjunction with any enforcement proceedings relating to this Contract such as by way of example but not limitation, an action for specific performance or injunctive relief.

10. **Conditions to Closing.**

(a) **Purchaser's Closing Conditions.** The obligation of Purchaser to purchase the REO Property in the manner contemplated by this Contract is subject to the following conditions precedent (and conditions concurrent, with respect to deliveries to be made by Seller at Closing) (the "**Purchaser's Closing Conditions**"), which conditions are for Purchaser's benefit and may be waived, or the time for satisfaction thereof extended, by Purchaser but only in a writing executed by Purchaser:

(i) **Title.** Title Company shall be irrevocably and unconditionally prepared and committed to issue to Purchaser (with an effective date not earlier than the Closing Date), a 2006 ALTA Owner's Policy of Title Insurance with Florida modifications in favor of Purchaser for the REO Property being acquired (a) showing fee title to the REO Property vested in Purchaser, (b) with liability coverage in an amount equal to the Purchase Price for the REO Property being acquired, (c) with those endorsements reasonably requested by Purchaser (provided that such endorsements are available in the State of Florida and are paid for in accordance with the terms in this Contract), and (d) containing no exceptions other than the Permitted Exceptions; and Title Company shall evidence such commitment by delivering to Purchaser at Closing an endorsement to or mark-up of the Commitment showing fee simple title to the REO Property vested in Purchaser as of the Closing Date and deleting the mechanic's liens, possession, unrecorded matters, and "gap" standard exceptions from the Commitment, and otherwise complying with the requirements of this Contract.

- (ii) Seller's Due Performance. All of the representations and warranties of Seller set forth in this Contract (including, but not limited to, those matters set forth in Section 7 hereof) shall be true, correct, and complete in all material respects as of the Closing Date, and Seller, on or prior to the Closing Date, shall have complied with and/or performed all of the obligations, covenants, and agreements required on the part of Seller to be complied with or performed pursuant to the terms of this Contract on or prior to the Closing (including, but not limited to, those matters set forth in Section 7 hereof).
 - (iii) Physical Condition of Property. The physical condition of the REO Property shall be substantially the same on the Closing Date as on the Effective Date, except for ordinary and reasonable wear and tear.
 - (iv) No Moratorium. As of the Closing Date, there shall be no moratorium, injunction, restraining order, or similar restriction imposed by any Governmental Authority, or any private entity having jurisdiction over the REO Property that precludes or prevents the issuance of building permits or certificates of occupancy with respect to the REO Property and/or adversely affects the construction of residences or other improvements on the REO Property.
 - (v) Bankruptcy. No action or proceeding shall have been commenced by or against Seller under the federal bankruptcy code or any state law for the relief of debtors or for the enforcement of the rights of creditors, and no attachment, execution, lien, or levy shall have attached to or been issued with respect to Seller's interest in any of the REO Property or any portion thereof.
 - (vi) Possession. All lessees, tenants and occupants of the REO Property, if any, must have vacated the REO Property and any use or occupancy agreements, licenses and the like shall have been terminated so that sole and exclusive possession of the REO Property can and will be provided to Purchaser at Closing.
- (b) **Failure of Purchaser's Closing Conditions**. If any of Purchaser's Closing Conditions described in this Section 10 have not been fulfilled within the applicable time periods, Purchaser may, at its election:
- (i) Waive the unfulfilled Purchaser's Closing Conditions in writing and close in accordance with this Contract, without adjustment or abatement of the Purchase Price;
 - (ii) Extend the Closing until the fifteenth (15th) day after Purchaser's receipt of written notice and evidence that Purchaser's Closing Conditions are satisfied; or

- (iii) Terminate this Contract by written notice to Seller and Escrow Agent, in which event (a) the Earnest Money shall be immediately returned to Purchaser, and (b) to the extent that the failure of any applicable Purchaser's Closing Condition is caused by a Seller default, Purchaser shall be entitled to pursue its rights and remedies pursuant to the terms of Section 6(b).

11. **Title**

- (a) **Title Objections.** Within sixty (60) days following the Effective Date, Purchaser shall obtain the Commitment and deliver same to Seller. Within ten (10) Business Days following the receipt by Purchaser of the Commitment, Purchaser shall notify Seller in writing as to Purchaser's disapproval of any of the title exceptions set forth in such Commitment. Seller shall have five (5) calendar days thereafter ("***Seller Response Period***") to elect whether or not to remove said exceptions at Seller's expense at or prior to the Closing. In the event Seller does not give written notice to Purchaser and Escrow Agent within the Seller Response Period that Seller will remove such disapproved exception(s) at or prior to the Closing, then Purchaser may, by delivery of written notice to Seller and Escrow Agent within five (5) Business Days following expiration of the Seller Response Period, elect to (i) terminate this Contract, in which case Purchaser shall be entitled to a return of the Earnest Money, or (ii) approve the previously disapproved title exceptions reflected in the Commitment (in which case such exceptions shall become Permitted Exceptions) without any reduction in the Purchase Price and waive Purchaser's right of cancellation. In the event Purchaser fails to give timely written notice of its election to terminate this Contract following expiration of the Seller Response Period, Purchaser shall be deemed to have expressly approved the Commitment and shall take title to the REO Property at Closing subject to all Permitted Exceptions.
- (b) **Title Insurance.** At Closing, with respect to the REO Property, Seller shall cause the Title Company to issue to Purchaser a 2006 ALTA (or other form standard for similar transactions in the State) owner's form title policy (the "***New Title Policy***"), in the amount of the Purchase Price, insuring that fee simple title to the REO Property is vested in Purchaser subject only to the Permitted Exceptions applicable thereto. Purchaser shall pay the premium for a new owner's policy and the cost of obtaining the Commitment.
- (c) **Transfer of Title.** At the Closing, Seller shall convey fee title to the REO Property by providing the Deed to Purchaser, subject only to the Permitted Exceptions applicable thereto.
- (d) **New Title Exceptions.** If applicable, Purchaser shall have the right to deliver to Seller a written notice ("***New Title Exception Notice***") at any time prior to the Closing Date, but not more than ten (10) days after the date of Purchaser's actual discovery of any New Title Exception, stating that a New Title Exception has arisen and that such New Title Exception is unacceptable to Purchaser. If

Purchaser timely delivers a New Title Exception Notice to Seller, the following provisions shall apply:

- (i) Correction Efforts. If the New Title Exception is due to the acts or omissions of Seller, Seller shall remove the New Title Exception on or prior to the Closing Date, all at Seller's sole cost and expense.
- (ii) Not Seller's Responsibility. If the New Title Exception is not due to the acts or omissions of Seller, then, upon Purchaser's delivery to Seller of the New Title Exception Notice, Seller may, but shall not be obligated to remove the New Title Exception on or prior to the Closing Date, all at Seller's sole cost and expense.
- (iii) Extension. Seller shall have the unilateral right, for the purpose of performing Seller's obligations or exercising Seller's rights under this Section 11(d), to extend the Closing Date for a period of up to sixty (60) days by delivery to Purchaser of written notice to such effect not more than five (5) Business Days after Seller's receipt of a New Title Exception Notice. The period of any such unilateral extension by Seller pursuant to this section shall run concurrently with any other extension periods provided for in this Contract. Notwithstanding any election by Seller to extend the Closing Date as set forth above, Purchaser may elect at any time to waive Purchaser's objection to such New Title Exception by giving written notice thereof to Seller, in which case Seller and Purchaser shall proceed to Closing on or before the Closing Date in accordance with the provisions of this Contract (and such New Title Exception will be a Permitted Exception for all purposes hereunder).
- (iv) Failure to Correct. If Seller is (a) unable to remove a New Title Exception described in Section 11(d)(i), or (b) unable or unwilling to remove a New Title Exception described in Section 11(d)(ii), then Purchaser shall have the right to terminate this Contract by delivering to Seller, on or before the Closing Date, a termination notice fully completed, executed and dated by Purchaser. If Purchaser timely delivers to Seller a termination notice in accordance with the foregoing provisions, then upon Seller's receipt of such termination notice, Purchaser shall be entitled to a return of the Earnest Money; provided further, however, that if Purchaser terminates this Contract because Seller is unable to remove a New Title Exception which arises pursuant to Section 11(d)(i), Purchaser shall be entitled to a return of the Earnest Money as Purchaser's sole remedy. Following Purchaser's termination of this Contract pursuant to this section, neither Purchaser nor Seller shall have any further rights or obligations under this Contract except under any provisions of this Contract which, by their terms, expressly survive the termination of this Contract. If Purchaser does not timely exercise Purchaser's right to terminate this Contract under this Section 11(d)(iv), Purchaser shall be deemed to have accepted the New Title Exception, which shall thereupon become a Permitted Exception, and

Purchaser shall remain obligated to proceed with Purchaser's purchase of the REO Property in accordance with this Contract without any reduction in the Purchase Price by reason of such new Permitted Exception.

- (v) Closing After Correction. If Seller timely removes a New Title Exception, the parties shall proceed to Closing on the Closing Date, or on such earlier Business Day as may be mutually agreed upon by Seller and Purchaser, without any reduction in the Purchase Price by reason of such New Title Exception and otherwise on the terms provided for in this Contract.

12. **Brokerage Commissions**

Seller and Purchaser acknowledge and represent that the Broker has acted as listing agent and Seller's broker concerning the REO Property and is the only broker that either Purchaser or Seller has dealt with concerning the REO Property and this Contract. Seller shall be responsible for payment to Broker of all compensation due Broker, if and when Closing occurs, pursuant to a separate agreement between Seller and Broker. Should any other claim for commission be asserted or established, the party in breach of its representation in this Section hereby expressly agrees to hold the other harmless with respect to all costs relating thereto (including reasonable attorneys' fees) to the extent that the breaching party is shown to have been responsible for the creation of such claim. Anything to the contrary in this Contract notwithstanding, such agreement of each party to hold the other harmless shall survive the Closing and any termination of this Contract.

13. **Disclaimers**

PURCHASER ACKNOWLEDGES TO AND AGREES WITH SELLER THAT PURCHASER IS PURCHASING THE REO PROPERTY IN AN "AS IS" CONDITION "WITH ALL FAULTS" AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE OR TYPE WHATSOEVER FROM OR ON BEHALF OF SELLER OTHER THAN THOSE EXPRESSLY STATED IN THIS CONTRACT AND IN THE INSTRUMENTS TO BE DELIVERED AT CLOSING.

PURCHASER ACKNOWLEDGES THAT PURCHASER HAS NOT RELIED, AND IS NOT RELYING, UPON ANY INFORMATION, DOCUMENT, SALES BROCHURES OR OTHER LITERATURE, MAPS, SKETCHES, DRAWINGS, PLANS, PROJECTION, PROFORMA, STATEMENT, REPRESENTATION, GUARANTEE OR WARRANTY (WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, MATERIAL OR IMMATERIAL) THAT MAY HAVE BEEN GIVEN BY OR MADE BY OR ON BEHALF OF SELLER EXCEPT AS OTHERWISE SET FORTH HEREIN, AND IN THE INSTRUMENTS TO BE DELIVERED AT CLOSING.

EXCEPT AS OTHERWISE SET FORTH HEREIN OR IN THE INSTRUMENTS TO BE DELIVERED AT CLOSING, SELLER HEREBY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, EITHER UNDER COMMON LAW, BY STATUTE, OR OTHERWISE, AS

TO (I) THE QUALITY, NATURE, ADEQUACY OR PHYSICAL CONDITION OF THE REO PROPERTY INCLUDING, BUT NOT LIMITED TO, ANY STRUCTURAL ELEMENTS, FOUNDATION, ACCESS, LANDSCAPING, SEWAGE OR UTILITY SYSTEMS AT THE REO PROPERTY, IF ANY; (II) THE QUALITY, NATURE, ADEQUACY OR PHYSICAL CONDITION OF SOILS AND GROUND WATER OR THE EXISTENCE OF GROUND WATER AT THE REO PROPERTY; (III) THE EXISTENCE, QUALITY, NATURE, ADEQUACY OR PHYSICAL CONDITION OF ANY UTILITIES SERVING THE REO PROPERTY; (IV) THE DEVELOPMENT POTENTIAL OF THE REO PROPERTY, ITS VALUE, ITS PROFITABILITY, ITS HABITABILITY, MERCHANTABILITY OR FITNESS, SUITABILITY OR ADEQUACY OF THE REO PROPERTY FOR ANY PARTICULAR PURPOSE; (V) THE ZONING OR OTHER LEGAL STATUS OF THE REO PROPERTY; (VI) THE COMPLIANCE OF THE REO PROPERTY OR ITS OPERATIONS WITH ANY APPLICABLE CODE, STATUTE, LAW, ORDINANCE, RULE, REGULATION, COVENANT, PERMIT, AUTHORIZATION, STANDARD, CONDITION OR RESTRICTION OF ANY GOVERNMENTAL OR REGULATORY AUTHORITY; (VII) THE QUALITY OF ANY LABOR OR MATERIALS RELATING IN ANY WAY TO THE REO PROPERTY; (VIII) THE SQUARE FOOTAGE OR ACREAGE OF THE REO PROPERTY; OR (IX) THE OPERATION OF THE REO PROPERTY FROM THE DATE OF THIS CONTRACT UNTIL THE CLOSING.

PURCHASER ACKNOWLEDGES THAT PRIOR TO EXECUTING THIS CONTRACT, PURCHASER HAS HAD AN ADEQUATE OPPORTUNITY TO MAKE SUCH LEGAL, FACTUAL AND OTHER INQUIRIES AND INVESTIGATIONS AS PURCHASER DEEMS NECESSARY, DESIRABLE OR APPROPRIATE WITH RESPECT TO THE REO PROPERTY. SUCH INQUIRIES AND INVESTIGATIONS OF PURCHASER SHALL BE DEEMED TO INCLUDE AN ENVIRONMENTAL AUDIT OF THE REO PROPERTY, AN INSPECTION OF THE PHYSICAL COMPONENTS AND GENERAL CONDITION OF ALL PORTIONS OF THE REO PROPERTY, SUCH STATE OF FACTS AS AN ACCURATE SURVEY AND INSPECTION WOULD SHOW, THE PRESENT AND FUTURE ZONING AND LAND USE ORDINANCES, RESOLUTIONS AND REGULATIONS OF THE CITY, COUNTY AND STATE WHERE THE REO PROPERTY IS LOCATED AND THE VALUE AND MARKETABILITY OF THE REO PROPERTY.

PURCHASER ACKNOWLEDGES THAT THERE HAVE BEEN NO REPRESENTATIONS OR AGREEMENTS REGARDING SELLER'S OBLIGATION TO PROVIDE OR COMPLETE ROADS, SEWER, WATER, ELECTRIC OR OTHER UTILITY SERVICES, ANY DEVELOPMENT OR CONSTRUCTION ACTIVITY, OR ANY OTHER IMPROVEMENTS TO THE REO PROPERTY MADE BY SELLER OR RELIED UPON BY PURCHASER WHATSOEVER.

PURCHASER ACKNOWLEDGES THAT SELLER HOLDS TITLE TO THE REO PROPERTY, THROUGH FORECLOSURE OR OTHERWISE, PRIMARILY TO PROTECT ITS SECURITY INTEREST WITHIN THE MEANING OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND

LIABILITY ACT ("**CERCLA**"), 42 U.S.C. § 9601 ET SEQ. AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE PRECEDING, PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SET FORTH HEREIN AND IN THE INSTRUMENTS TO BE DELIVERED AT CLOSING, IT HEREBY WAIVES, RELEASES AND DISCHARGES ANY CLAIM IT HAS, MIGHT HAVE HAD OR MAY HAVE IN THE FUTURE AGAINST THE SELLER WITH RESPECT TO COSTS, DAMAGES, OBLIGATIONS, PENALTIES, CAUSES OF ACTION AND OTHER LIABILITIES (WHETHER ACCRUED, CONTINGENT, ARISING BEFORE OR AFTER THIS CONTRACT, OR OTHERWISE) ARISING AS A RESULT OF (I) THE CONDITION OF THE REO PROPERTY, EITHER PATENT OR LATENT, (II) ITS ABILITY OR INABILITY TO OBTAIN OR MAINTAIN BUILDING PERMITS, EITHER TEMPORARY OR FINAL CERTIFICATES OF OCCUPANCY OR OTHER LICENSES FOR THE USE OR OPERATION OF THE REO PROPERTY, AND/OR CERTIFICATES OF COMPLIANCE FOR THE REO PROPERTY, (III) THE ACTUAL OR POTENTIAL INCOME OR PROFITS TO BE DERIVED FROM THE REO PROPERTY, (IV) THE REAL ESTATE TAXES OR ASSESSMENTS NOW OR HEREAFTER PAYABLE THEREON, (V) THE PAST, PRESENT OR FUTURE CONDITION OR COMPLIANCE OF THE REO PROPERTY, OR COMPLIANCE OF PAST OWNERS AND OPERATORS OF THE REO PROPERTY, IN REGARD TO ANY PAST, PRESENT AND FUTURE FEDERAL, STATE AND LOCAL ENVIRONMENTAL PROTECTION, POLLUTION CONTROL, POLLUTION CLEANUP, AND CORRECTIVE ACTION LAWS, RULES, REGULATIONS, ORDERS, AND REQUIREMENTS (INCLUDING WITHOUT LIMITATION CERCLA, RCRA, AND OTHERS PERTAINING TO THE USE, HANDLING, GENERATION, TREATMENT, STORAGE, RELEASE, DISPOSAL, REMOVAL, REMEDIATION OR RESPONSE TO, OR NOTIFICATION OF GOVERNMENTAL ENTITIES CONCERNING, TOXIC, HAZARDOUS, OR OTHERWISE REGULATED WASTES, SUBSTANCES, CHEMICALS, POLLUTANTS OR CONTAMINANTS), OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, (VI) THE PRESENCE ON, IN, UNDER OR NEAR THE REO PROPERTY OF (INCLUDING WITHOUT LIMITATION ANY RESULTANT OBLIGATION UNDER CERCLA, THE RESOURCE CONSERVATION AND RECOVERY ACT ("**RCRA**"), 42 U.S.C. § 6973 et seq., ANY STATE STATUTE OR REGULATION, OR OTHERWISE, TO REMOVE, REMEDIATE OR RESPOND TO) ASBESTOS CONTAINING MATERIAL, RADON, MOLD, UREA FORMALDEHYDE OR ANY OTHER TOXIC, HAZARDOUS OR OTHERWISE REGULATED WASTE, SUBSTANCE, CHEMICAL, POLLUTANT OR CONTAMINANT (PURCHASER ACKNOWLEDGES THAT THE REO PROPERTY HAS GROUNDWATER CONTAMINATION FROM A DRY CLEANER LOCATED ON AN ADJACENT PARCEL), AND (VII) ANY OTHER STATE OF FACTS WHICH EXIST WITH RESPECT TO THE REO PROPERTY.

PURCHASER ACKNOWLEDGES AND AGREES THAT THE TERMS AND CONDITIONS OF THIS SECTION SHALL EXPRESSLY SURVIVE THE

TERMINATION OF THIS CONTRACT AND/OR OF THE RECORDATION OF THE DEED FOR THE REO PROPERTY.

14. **Notices**

All notices which are required or permitted hereunder must be in writing and shall be deemed to have been given, delivered or made, as the case may be (notwithstanding lack of actual receipt by the addressee) (i) upon hand delivery, (ii) three (3) Business Days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed and prepaid, (iii) one (1) Business Day after having been deposited with an expedited, overnight courier service (such as by way of example but not limitation, FedEx, (iv) upon delivery of a facsimile transmission which is confirmed on the sender's facsimile machine as having been sent to the recipient at the proper telecopy number or (v) by delivery of an e-mail (with .PDF or .TIF attachment), addressed to the party to whom notice is intended to be given at the address set forth below:

To Purchaser: Matthew Rieger
Housing Trust Group, LLC
3225 Aviation Ave, Suite 602
Coconut Grove, FL 33133
305-860-8188
mattr@htgf.com

If to Seller: SR 70 LAND BRADENTON LLC
1 Independent Dr., 10th Floor
MAC Z1094-100
Jacksonville, FL 32202
Attn: Erin Acton
Telephone No. 904-351-7346
Facsimile: 904-351-7367
E-mail: erin.acton@wellsfargo.com

AND

BUCHANAN INGERSOLL & ROONEY PC
401 E. Jackson Street, Suite 2400
Tampa, FL 33602
Attention: Thomas J. Hunt, Esq.
Telephone: 813-222-3063
Facsimile: 813-229-8313
E-mail: tom.hunt@bipc.com

with a courtesy copy to:

Wells Fargo Law Department
MAC A0194-273
45 Fremont Street, 27th Floor
San Francisco, CA 94105
Attention: Alilda Ferraro, Esq.

The failure by any party to deliver a courtesy copy as referenced above shall not constitute a default under the terms of this Contract nor shall it create a defect in any notice which is otherwise properly given. Furthermore, it is agreed that, if any party hereto is represented by legal counsel, such legal counsel is authorized to deliver written notice directly to the other party on behalf of his or her client, and the same shall be deemed proper notice hereunder if delivered in the manner hereinabove specified.

Any party hereto may, at any time by giving ten (10) days written notice to the other party hereto, designate any other address in substitution of the foregoing address to which such notice shall be given and other parties to whom copies of all notices hereunder shall be sent. Notwithstanding the foregoing, it is expressly understood and agreed by Seller and Purchaser that neither party may designate an address in substitution of the foregoing addresses which is outside the continental United States.

15. **Modifications**

This Contract cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

16. **Assigns**

This Contract shall inure to the benefit of and be binding on the parties and their respective representatives, successors, and assigns. Purchaser may not assign its rights or obligations under this Contract to any party without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Notwithstanding the foregoing, and provided that Purchaser provides Seller with such information as is necessary for Seller to confirm that such entity will meet the requirements set forth in Section 36 below (and the proposed assignee in fact meets such requirements), Purchaser shall have the right, without Seller's consent, to assign this Contract to any entity that is 100% owned by Purchaser or is an entity in which Purchaser or members of Purchaser has an ownership interest. No consent given by Seller to any assignment by Purchaser which requires Seller's consent shall be effective unless and until the assignee under such assignment shall have, pursuant to a written assumption agreement acceptable to Seller in its sole discretion, assumed all of Purchaser's obligations under this Contract, or (ii) deemed to relieve Purchaser of any of its obligations hereunder. If Purchaser consists of more than one person or entity, each will be jointly and severally liable to perform the obligations of Purchaser hereunder and all representations, warranties, covenants and agreements made by Purchaser hereunder shall be joint and several.

17. **Time of the Essence**

Time is of the essence in the execution and performance of this Contract and of each of its provisions.

Should any period of time specified herein end on a Saturday, Sunday or national banking holiday recognized in Manatee County, Florida, the period of time shall automatically be extended to 5:00 P.M. of the next full Business Day.

Whenever this Contract makes reference to a time period which begins on or lasts for a time "from", "following" or "after" a certain date, it is expressly understood and agreed that the words "from", "following" and "after" do not imply or impute the word "including" so that no such time frames shall include such date. Furthermore, whenever this Contract makes reference to a specific time, it is understood to mean Eastern Standard Time or any applicable Eastern Daylight Savings Time.

18. **Entire Agreement**

This Contract, including the Exhibits, any confidentiality agreement executed by Purchaser and Seller as contemplated by Section 28 of this Contract, if any, and any intercreditor agreements, escrow agreements, security agreements or other similar agreements entered into by Seller and Purchaser in connection with and as contemplated by this Contract, if any, contain the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior agreements and understandings between the parties pertaining to such subject matter.

19. **Counterparts**

This Contract may be executed in several counterparts, and all such executed counterparts shall constitute the same agreement. Executed copies of this Contract may be delivered between the parties via e-mail, and such copy or electronic version of this Contract shall be considered an original for all purposes.

20. **Severability**

If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Contract shall nonetheless remain in full force and effect.

21. **Applicable Law/Venue; Waiver of Jury Trial**

THIS CONTRACT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE SUBSTANTIVE FEDERAL LAWS OF THE UNITED STATES AND THE LAWS OF THE STATE OF FLORIDA. PURCHASER AND SELLER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE STATE IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS CONTRACT AND HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN

RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE STATE. PURCHASER AND SELLER AGREE THAT THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OF THE TRANSACTION CONTEMPLATED BY THIS CONTRACT. NOTHING CONTAINED IN THIS SECTION SHALL BE INTERPRETED TO PROVIDE ANY GREATER RIGHTS OR ADDITIONAL CLAIMS TO PURCHASER OR SELLER THAN AS OTHERWISE PROVIDED IN THIS CONTRACT.

To the extent allowed by applicable law, each party to this Contract hereby expressly waives any right to trial by jury of any claim, demand, action or cause of action (each, an "Action") (a) arising out of this Contract, including any present or future amendment thereof or (b) in any way connected with or related or incidental to the dealings of the parties or any of them with respect to this Contract (as hereafter amended) or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether such Action is now existing or hereafter arising, and whether sounding in contract or tort or otherwise and regardless of which party asserts such Action; and each party hereby agrees and consents that any such Action shall be decided by court trial without a jury, and that any party to this Contract may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties to the waiver of any right they might otherwise have to trial by jury.

22. **Limited Liability of Seller**

If Seller breaches this Contract, and the breach is actually discovered by Purchaser prior to Closing, then Purchaser shall give written notice to Seller regarding same prior to Closing, and Purchaser's sole remedies are those described in Section 6(b) and Section 33 of this Contract. Except as to a breach by Seller of any warranty, representation or covenant contained in Section 7 of this Contract, if Seller breaches this Contract, and such breach is discovered by Purchaser after Closing, Purchaser shall have no remedy or recourse against Seller. Purchaser has factored this risk into its decision to purchase. If and only if Seller breaches any warranty, representation or covenant contained in Section 7 of this Contract, and Purchaser notifies Seller in writing of any such breach within One Hundred Eighty (180) days of Closing, then Purchaser's sole remedy shall be one (1) of the following options, in the following order: (First Option) Seller shall cure such breach at Seller's expense within Sixty (60) days of the receipt of such notice (or, if the breach is not capable of being cured within such timeframe, then Seller shall commence curative measures and diligently proceed with the curative measures until the breach is completely cured); or (Second Option) if Seller fails to timely cure the breach then Purchaser may cure the breach at Seller's expense; or (Third Option) Seller shall pay appropriate monetary compensation to Purchaser for such breach; provided that all such options shall be limited by the following sentence. Purchaser hereby acknowledges and agrees that in no event will the liability of Seller under this Contract (including, without limitation, any liability of Seller for breach or default under any representation, warranty or covenant made by Seller in Section 7 hereof) exceed, in the aggregate, \$10,000.00. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS CONTRACT OR OTHERWISE, IN NO

EVENT SHALL SELLER BE LIABLE UNDER THIS CONTRACT OR ANY RELATED DOCUMENT FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL OR INDIRECT DAMAGES.

23. **No Third Party Beneficiary**

The provisions of this Contract and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, including, but not limited to any broker described in Section 12, and accordingly, no third party shall have the right to enforce the provisions of this Contract or of the documents to be executed and delivered at Closing.

24. **Exhibits and Schedules**

The following schedules or exhibits attached hereto shall be deemed to be an integral part of this Contract:

- (a) Exhibit A - Certain Definitions
- (b) Exhibit B - Legal Description of REO Property
- (c) Exhibit C - Form of Deed
- (d) Exhibit D - Form of Bill of Sale
- (e) Exhibit E - [Reserved]
- (f) Exhibit F - Form of General Assignment
- (g) Exhibit G - [Reserved]
- (h) Exhibit H - List of Due Diligence Materials

25. **Captions**

The section headings appearing in this Contract are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

26. **Construction**

The parties acknowledge that the parties and their counsel have reviewed and revised this Contract and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any exhibits or amendments hereto. Accordingly, this Contract shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it. Whenever required by the context of this Contract, the singular shall include the plural and vice versa. When the context so requires, the neuter gender includes the feminine or masculine. The use of the words "herein", "hereof", "hereunder" and any

other words of similar import refer to this Contract as a whole and not any particular article, section, paragraph or sub-entity thereof of this Contract unless specifically otherwise noted in this Contract.

27. **Termination of Contract**

It is understood and agreed that if this Contract is terminated pursuant to the terms hereof, such termination shall operate to relieve Seller and Purchaser from all obligations under this Contract, except for such obligations as are specifically stated herein to survive the termination of this Contract including, without limitation, indemnification obligations and other obligations related to the appropriate distribution of the Earnest Money pursuant to this Contract.

28. **Information and Confidentiality**

If Purchaser and Seller have previously executed one or more confidentiality agreements related to the REO Property, Purchaser's evaluation of the REO Property or the transfer thereof under this Contract, then each such agreement shall remain in full force and effect under the terms therein, survive the Effective Date and, to the extent of inconsistency with the terms and conditions set forth herein, supersede the language in this Section 28. To the extent no such agreement has been executed as of the Effective Date by Purchaser and Seller with respect to the REO Property, or, to the extent any such agreement has been executed but does not cover the agreements set forth in this Section 28 or has since expired, then this Section 28 shall apply.

Except as permitted by this Contract, Purchaser agrees that neither Purchaser nor Purchaser's Representatives (as hereinafter defined) shall, at any time or in any manner, either directly or indirectly, divulge, disclose or communicate to any person, entity or association, other than any Purchaser's Representatives, any Governmental Authority and/or Purchaser's Loan Parties (as hereinafter defined), the Confidential Information (as hereinafter defined). Without Seller's prior written consent, which shall not be unreasonably withheld, Purchaser shall not disclose, and Purchaser shall direct Purchaser's Representatives and Purchaser's Loan Parties not to disclose, to any person, entity or association (other than among themselves) any of the terms, conditions or other facts with respect to this Contract, including, without limitation, the status hereof, that are not part of the public domain. Notwithstanding the foregoing, Purchaser may disclose such of the Confidential Information and its other reports, studies, documents and other matters generated by it and the terms of this Contract (i) as Purchaser deems necessary or desirable to Purchaser's Representatives and/or Purchaser's Loan Parties in connection with Purchaser's investigation of the REO Property and the transactions contemplated hereby, provided that those to whom such Confidential Information is disclosed are informed of the confidential nature thereof and agree to keep the same confidential in accordance with the terms and conditions hereof, (ii) if compelled to do so by any Governmental Authority,

pursuant to law, or otherwise by legal proceedings, or (iii) in connection with any litigation involving this Contract or the transactions contemplated hereby.

29. **Release**

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS CONTRACT AND IN THE INSTRUMENTS TO BE DELIVERED AT CLOSING, PURCHASER SHALL RELEASE THE SELLER PARTIES FROM ALL CLAIMS, ABSOLUTE OR CONTINGENT, KNOWN OR UNKNOWN, WHICH PURCHASER OR ANY AGENT, REPRESENTATIVE, AFFILIATE, EMPLOYEE, DIRECTOR, OFFICER, PARTNER, MEMBER, SERVANT, SHAREHOLDER, TRUSTEE OR OTHER PERSON OR ENTITY ACTING ON PURCHASER'S BEHALF OR OTHERWISE RELATED TO OR AFFILIATED WITH PURCHASER HAS OR MAY HAVE ARISING FROM OR RELATED TO ANY MATTER OR THING RELATED TO OR IN CONNECTION WITH THE REO PROPERTY, AND ANY PHYSICAL OR ENVIRONMENTAL CONDITIONS, AND PURCHASER SHALL NOT LOOK TO THE SELLER PARTIES IN CONNECTION WITH THE FOREGOING FOR ANY REDRESS OR RELIEF. THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION. THE TERMS AND PROVISIONS OF THIS SECTION SHALL SURVIVE CLOSING AND ANY TERMINATION OF THIS CONTRACT.

30. **Indemnification of Seller Parties by Purchaser**

Purchaser shall defend, indemnify and hold harmless Seller Parties from and against all losses, causes of action, liabilities, claims, demands, obligations, damages, costs and expenses, including without limitation attorneys' fees and costs, to which Seller Parties may become subject on account of any breach by Purchaser of its obligations, warranties or covenants under this Contract. The obligations in this Section 30 shall survive Closing and any termination of this Contract for a period of one (1) year.

31. **Risk Of Loss**

Prior to Closing, the risk of loss shall remain with Seller. If, prior to Closing, the REO Property or any part thereof shall be condemned, destroyed or damaged by fire or other casualty, Seller shall promptly notify Purchaser. If the REO Property or any part thereof shall be condemned such that damages are in excess of an amount equal to Ten percent (10%) of the Purchase Price or if the REO Property or any part thereof shall be destroyed or damaged by fire or other casualty the repair of which would cost in excess of Ten percent (10%) of the Purchase Price, then, at the option of Purchaser, which option shall be exercisable, if at all, by written notice thereof to Seller within ten (10) Business Days after Purchaser receives written notice of such fire, earthquake or other casualty or condemnation, this Contract may be terminated. If Purchaser elects to terminate this Contract, the Earnest Money shall be returned to Purchaser, in which event this Contract shall, without further action of the parties, become null and void, and neither party shall have any rights or obligations under this Contract, except those which expressly survive

termination. In the event that Purchaser does not exercise the option to terminate the Contract set forth above, or if the condemnation or casualty is below the threshold described above, then (i) Purchaser's obligations hereunder to purchase the REO Property for the full Purchase Price shall apply without regard to the occurrence or effect of any damage to the REO Property or destruction of any improvements on the REO Property or condemnation of any portion of the REO Property, (ii) Purchaser shall have no right to terminate this Contract or reduce the Purchase Price in the event of any damage to the REO Property or destruction of any improvements on the REO Property or condemnation of any portion of the REO Property, (iii) Purchaser hereby waives any right Purchaser may have at law or in equity to terminate this Contract or seek reduction of the Purchase Price on account of any damage to the REO Property or destruction of any improvements on the REO Property or condemnation of any portion of the REO Property, and (iv) the Closing shall take place on the Closing Date, provided, however that Seller hereby agrees that upon the Closing, there shall be a credit against the Purchase Price due hereunder equal to the amount of any insurance proceeds or condemnation awards collected by Seller, if any, as a result of any such damage or destruction or condemnation, less any sums expended by Seller toward the restoration or repair of the REO Property or in collecting such insurance proceeds or condemnation awards. If the proceeds or awards have not been collected as of the Closing, then such proceeds or awards shall be assigned to Purchaser, except to the extent needed to reimburse Seller for sums expended prior to the Closing to repair or restore the REO Property or to collect any such proceeds or awards.

32. **Prorations**

(a) **General Prorations.** All amounts set forth in the following numbered paragraphs shall, except as otherwise provided in this Section 32, be prorated to 11:59 p.m. local time on the day before the Closing Date with Purchaser receiving the benefits and burdens of ownership on and after the Closing Date.

(i) General real estate taxes and assessments against the REO Property shall be prorated as of the Closing Date, based on a three hundred sixty-five (365) day year. If the Closing shall occur before the tax rate or the assessed valuation of the REO Property is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. Subsequent to the Closing, when the tax rate and the assessed valuation of the REO Property is fixed for the year in which the Closing occurs, the parties agree to adjust the proration of taxes and, if necessary, to refund or repay such sums as shall be necessary to effect such adjustment, provided, however, the same shall be determined no later than sixty (60) days after receipt of the tax bill/assessed valuation/tax rate for the current year.

(ii) Seller shall be entitled to a credit for all security deposits held by any of the utility companies providing service to the REO Property for the benefit of Purchaser where such deposits are transferred by the utility to Purchaser's account. Seller shall endeavor to obtain meter readings on the day before the Closing Date, and if such readings are obtained, there shall be no proration of such items and Seller shall pay at Closing the bills therefor for the period to the day preceding the

Closing, and Purchaser shall pay the bills therefor for the period subsequent thereto. If any utility company will not issue separate bills, Purchaser will receive a credit against the Purchase Price for Seller's portion and will pay the entire bill prior to delinquency after Closing. Purchaser shall be responsible for making any security deposits required by utility companies providing service to the REO Property.

(iii) Payments with respect to any service contracts for the REO Property, if any, shall be paid by Seller as of the Closing Date and any such service contracts shall be terminated by Seller as of the Closing Date.

(iv) Any other operating expenses of the REO Property shall be prorated as of the Closing Date, based on a three hundred sixty-five (365) day year. If the Closing shall occur before the actual amount of all other operating expenses with respect to the REO Property for the month in which the Closing occurs are determined, the apportionment of such other operating expenses shall be upon the basis of the prior month's actual amount of such other operating expenses. Subsequent to the Closing, when the actual amount of such other operating expenses for the month in which the Closing occurs are determined, the parties agree to adjust the proration of such other operating expenses and, if necessary, to refund or repay such sums as shall be necessary to effect such adjustment.

(b) **Final Prorations.** If final prorations are not or cannot be made at the Closing for any item subject to proration under this Section 32, then, Purchaser and Seller agree to allocate such items on a fair and equitable basis as soon as invoices or bills are available, with final adjustment to be made as soon as reasonably possible after the Closing, and in any event not later than the date that is one hundred eighty (180) days after Closing. If either party receives any funds which belong to the other party under this Section 32, such receiving party shall pay over and/or deliver such funds to the other party (without interest thereon) within fifteen (15) Business Days after receipt.

(c) **Special Tax Considerations.** Notwithstanding anything to the contrary contained herein, Purchaser acknowledges and agrees that (i) the assessed valuation of the REO Property for real property tax purposes by one or more of the applicable taxing authorities for one or more tax years (covering the tax year in which the Closing Date is to occur and/or prior tax years) is currently being appealed by Seller, or may be appealed by Seller; and (ii) that Seller has procured, or may procure, the services of a tax consultant to prosecute such appeal; and that Seller shall have the right (but not the obligation) to continue to prosecute such appeal, or to initiate and prosecute such appeal, at any time before or after the Closing Date at Seller's sole cost and expense. Any refund of real property taxes for the tax year in which the Closing occurs, net of the portion of the tax consultant's fees which relate to such tax year, shall be prorated between Seller and Purchaser as of the Closing. If Purchaser shall receive any refund of real property taxes for such tax year in which the Closing occurs, Purchaser shall immediately pay such refund to Seller for distribution to the parties in accordance with the foregoing allocation.

Additionally, any refund of real property taxes for any tax year prior to the tax year in which the Closing occurs shall be the property of Seller, and if Purchaser shall receive any refund of real property taxes for such prior tax years Purchaser shall immediately pay such refund to Seller.

- (d) **Closing Costs.** At Closing, Purchaser shall pay for the premium for the New Title Policy and the search fees relating thereto, any endorsements to the New Title Policy, lien search fees, Escrow Agent's escrow fee, if any, any and all applicable recording fees, and all other costs not required to be paid by Seller pursuant to this Section 32(d). Seller shall pay any transfer taxes, documentary stamp tax or similar tax payable by reason of transfer of the REO Property or any portion thereof. Seller and Purchaser shall each pay their respective attorneys' fees.

33. **Attorney Fees**

If any action is brought by any party to this Contract to enforce or interpret its terms or provisions, the prevailing party will be entitled to reasonable attorney fees and costs incurred in connection with such action prior to and at trial and on any appeal therefrom, subject to any caps or limits thereto described herein.

34. **Related Parties**

Purchaser represents to Seller that neither Purchaser nor any person having control over Purchaser is employed by, or is a family member purchasing directly or indirectly for the benefit of anyone who is employed by, Wells Fargo & Company or any of its subsidiaries. For purposes of this representation "family member" is defined as a spouse, a domestic partner, parents, grandparents, children, grandchildren, brothers and sisters, including in all cases, step-family members.

35. **OFAC Compliance**

Purchaser and Seller each represent and warrant that: (i) it is not on an SDN List (defined below), nor is it directly or indirectly owned or controlled by an SDN (defined below); and (ii) the purchase and sale of the REO Property, and the consummation of any other transaction contemplated by this Contract, will not violate any country sanctions program administered and enforced by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury. For the purposes hereof, an "SDN List" is defined as one of the lists published by OFAC of individuals and companies owned or controlled by, or acting for or on behalf of, OFAC targeted countries, as well as individuals, groups, and entities, such as terrorists and narcotics traffickers, designated under OFAC programs that are not country-specific, and an "SDN" is one of the individuals or companies listed on an SDN List.

36. **Radon**

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in


Manatee County, Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

IN WITNESS WHEREOF, this Contract is executed as of the Effective Date.

SELLER:

SR 70 Land Bradenton, LLC, a Delaware limited liability company

By: REDUS Properties, Inc., a Delaware corporation, its sole member

By: 
Name: Erin M. Acton
Title: AVP
Date: 12-04-17

[Signatures continue on following page]

PURCHASER:

Housing Trust Group, LLC, a Florida limited liability company

By: 
Name: Matthew Rieger
Title: Manager
Date: 12/5/17

EXHIBIT A

DEFINITIONS

“*Action*” has the meaning set forth in Section 21 of this Contract.

“*Additional Earnest Money*” has the meaning set forth in Section 3(d) of this Contract.

“*Bill of Sale*” means a bill of sale, without representation or warranty, substantially in the form attached to this Contract as Exhibit D.

“*Broker*” means Eshenbaugh Land Company (Ryan Sampson).

“*Business Day*” means any day on which Wells Fargo Bank is open for business in Manatee County, Florida, other than a Saturday, a Sunday or a federal holiday.

“*CERCLA*” has the meaning set forth in Section 13 of this Contract.

“*Closing*” means the closing of the transaction contemplated under this Contract.

“*Closing Date*” means the date which is thirty (30) days after the expiration of the Financing Contingency Period, or such other mutually-agreeable earlier date. The Closing Date may be extended by Purchaser by the use of up to two (2) Closing Date Extensions.

“*Closing Date Extension*” means a 30-day extension of the Closing Date, to be exercised in Purchaser’s sole discretion, by Purchaser providing written notice to Seller at least three (3) Business Days prior to the then-scheduled Closing Date, together with the payment of a “*Closing Date Extension Fee*” of \$60,000.00 per Closing Date Extension, which Closing Date Extension Fee(s) shall be non-refundable and immediately earned by Seller. One-half of the first Closing Date Extension Fee shall be applied to the Purchase Price in the event of a closing, and shall not be deemed part of the Earnest Money. The second Closing Date Extension Fee shall not be applied to the Purchase Price in the event of a closing, and shall not be deemed part of the Earnest Money.

“*Commitment*” means an abstract of title issued by the Title Company, setting forth the status of title to the REO Property and showing all encumbrances and other matters affecting the REO Property.

“*Confidential Information*” shall mean any of the following to the extent supplied by Seller or on behalf of Seller or otherwise made available by or at the direction of Seller to Purchaser or any of Purchaser’s Representatives: (i) all written information and documents relating to the REO Property, any portion thereof or the sale thereof, furnished to, or otherwise available for review by, Purchaser or Purchaser’s Representatives, and (ii) all written analyses, compilations, data, studies, reports or other information or documents prepared or obtained by Purchaser or Purchaser’s Representatives, but only to the extent containing the information or documents described in the preceding clause (i), or otherwise reflecting their review or investigation of the REO Property.

“**Contract**” means the Purchase Contract to which this Exhibit A is attached and which is more fully described in the introductory paragraph of such Purchase Contract.

“**Deed**” means a special warranty deed sufficient to transfer and convey to Purchase fee title to the REO Property pursuant to the terms and provisions of this Contract, in the form attached to this Contract as Exhibit C.

“**Due Diligence**” has the meaning set forth in Section 4(b) of this Contract.

“**Due Diligence Period**” has the meaning set forth in Section 4(b) of this Contract.

“**Due Diligence Materials**” means those items listed in Exhibit H attached to this Contract together with the affirmative obligation of Seller to deliver any and all other material items pertaining to the REO Property which are in Seller's possession or control on the Effective Date or come into Seller's possession or control during the term of this Contract.

“**Earnest Money**” has the meaning set forth in Section 3 of this Contract.

“**Effective Date**” means the date that the last of the parties executes this Contract.

“**Environmental Laws**” shall be deemed to include any federal, state, or local law, statute, ordinance, rule or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions, quality, health, safety, contamination and clean-up in, at, on, under, or about the REO Property, including, but not limited to, soil and groundwater conditions.

“**Escrow Agent**” means Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., 150 West Flagler Street, Suite 2200, Miami, FL 33130 Attn: Richard Deutch. Phone: 305-789-4108.

“**Financing Contingency Period**” means the period beginning on the Effective Date and ending at 11:59 p.m. Eastern Time on April 16, 2018. The Financing Contingency Period may be extended by Purchaser by the use of up to two (2) Financing Contingency Period Extensions.

“**Financing Contingency Period Extension**” means a 45-day extension of the Financing Contingency Period, to be exercised in Purchaser's sole discretion, by Purchaser providing written notice to Seller at least three (3) Business Days prior to the then-current expiration of the Financing Contingency Period, together with the payment of a “**Financing Contingency Period Extension Fee**” of \$20,000.00 per Financing Contingency Period Extension, which Financing Contingency Period Extension Fee(s) shall be non-refundable and immediately earned by Seller, and shall not be deemed part of the Earnest Money.

“**General Assignment**” means a general assignment and assumption substantially in the form attached to this Contract as Exhibit F, that is required to be used for assignments to be authorized by Seller, and not applicable for Purchaser's assignments to any entity that is 100% owned by Purchaser or is an entity in which Purchaser or members of Purchaser has an ownership interest.

“**Governmental Authority**” means the United States, the U.S. Army Corps of Engineers, the State of Florida, Manatee County or any subdivision, agency, water management district,

department, commission, bureau or instrumentality of any of the foregoing having jurisdiction over the REO Property, and/or any quasi-governmental authority and/or agency, utility providers and regulators.

"Hazardous Substances" means and includes any hazardous substance, pollutant, contaminant, material, waste, byproduct or constituent which is or becomes regulated by any local governmental authority, the State of Florida or the United States Government, including, without limitation, any substance, material, waste or by-product regulated by any Environmental Laws.

"Indemnified Parties" means Seller, the members and affiliates of Seller and the property manager, if any, of the REO Property.

"Land" means that certain real property more particularly described on Exhibit B to this Contract.

"Licenses and Permits" means any and all permits, licenses, approvals, entitlements and evidence of all other rights, privileges and intangibles which are appurtenant to the REO Property.

"New Title Exception" means a title exception which (i) first arises of record following the "Effective Date" of the Commitment or is first shown on a subsequent title commitment or endorsement following the delivery of the Commitment, (ii) was not created due to the acts of Purchaser, and (iii) has not been consented to by Purchaser.

"New Title Exception Notice" has the meaning set forth in Section 11(d) of this Contract.

"New Title Policy" has the meaning set forth in Section 11(b) of this Contract.

"OFAC" has the meaning set forth in Section 36 of this Contract.

"Permitted Exceptions" mean and includes all of the following: (i) zoning and building ordinances and land use regulations applicable to the REO Property, (ii) such state of facts as are shown on any survey or as would be disclosed by an accurate survey of the REO Property (but only if Purchaser elects not to obtain an updated survey of the REO Property), (iii) the lien of taxes and assessments not yet due and payable, (iv) any standard exclusions from coverage set forth in the jacket of the New Title Policy, (v) any exceptions caused by Purchaser, its agents, representatives or employees, (vi) all Proforma Exceptions, and (vii) all other matters which arise as a result of Seller performing its covenants hereunder.

"Proforma Exceptions" means and includes all of the matters set forth as exceptions on Schedule B of the Commitment, excluding only those exceptions which Seller agrees in writing to remove.

"Purchase Price" has the meaning set forth in Section 3(a) of this Contract.

"Purchaser" has the meaning set forth in the introductory paragraph of this Contract.

"Purchaser's Loan Parties" means (A) any lender who contemplates providing or provides financing to Purchaser in connection with the transactions contemplated by this Contract, together with the officers, employees, agents, representatives, consultants and attorneys of such lender or prospective lender, and (B) any broker who is engaged by Purchaser to identify a lender or investor or prospective lender or investor for Purchaser in connection with the transactions contemplated by this Contract.

"Purchaser's Representatives" means Purchaser's directors, officers, employees, affiliates, current or prospective partners, current or prospective members, current or prospective shareholders, brokers, agents or other representatives of Purchaser or such parties, including without limitation, attorneys, accountants, contractors, consultants, engineers or financial advisors.

"RCRA" has the meaning set forth in Section 13 of this Contract.

"REO Property" means all of Seller's right title and interest in and to (i) the Land, (ii) any and all buildings, improvements, and fixtures located on the Land, (iii) any personal property that Seller has an interest in located on the Land, and (iv) any tradenames, trademarks, and other intangible property Seller has an interest in directly related to the Land and/or any such buildings or improvements located thereon.

"SDN" has the meaning set forth in Section 36 of this Contract.

"SDN List" has the meaning set forth in Section 36 of this Contract.

"Seller" has the meaning set forth in the introductory paragraph of this Contract.

"Seller Parties" means any manager of the REO Property, each of their respective predecessors in interest and successors and assigns, together with the officers, directors, partners, employees, representatives, affiliates, members, investors, certificate holders and agents of each of the foregoing.

"Seller's Representative" means and shall be limited to Erin Acton, a Real Estate Asset Manager at Wells Fargo Bank, N.A., and/or such other qualified persons or people appointed by Seller from time to time to manage the sale of the ORE Property. Seller acknowledges that it has an affirmative obligation to promptly notify Purchaser as to the identity of any such additional or other individual(s).

"Seller Response Period" has the meaning set forth in Section 11(a) of this Contract.

"Survival Period" has the meaning set forth in Section 7(c) of this Contract.

"State" means the State of Florida.

"Title Company" means Old Republic National Title Company through its agent Buchanan Ingersoll & Rooney PC.

EXHIBIT B

LEGAL DESCRIPTION OF REO PROPERTY

The East ½ of the Southwest ¼ of the Southeast ¼ of Section 8, Township 35 South, Range 18 East, Manatee County, Florida, LESS the portions thereof described in Deed Book 375, page 461 and OR Book 1480, page 2053, Public Records of Manatee County, Florida.

EXHIBIT C

FORM OF DEED

Parcel ID#: 3249001509

This Instrument Prepared By:
Thomas J. Hunt, Esq.
Buchanan Ingersoll & Rooney PC
401 E. Jackson Street, Suite 2400
Tampa, Florida 33602

_____ [Space Above This Line for Recording Data] _____

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made and entered into this ___ day of ___, 201 __, by **SR 70 LAND BRADENTON LLC**, a Delaware limited liability company ("**Grantor**"), whose address is _____, to _____ ("**Grantee**"), whose address is _____. (Wherever used herein, the terms "**Grantor**" and "**Grantee**" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals and the successors and assigns of corporations and other entities.)

WITNESSETH:

That Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained and sold to Grantee forever, the following described land (the "**Property**") situate, lying and being in Manatee County, Florida, to-wit:

The East ½ of the Southwest ¼ of the Southeast ¼ of Section 8, Township 35 South, Range 18 East, Manatee County, Florida, LESS the portions thereof described in Deed Book 375, page 461 and OR Book 1480, page 2053, Public Records of Manatee County, Florida.

TOGETHER WITH all the tenements, hereditaments, appurtenances, easements, rights-of-way, privileges, and entitlements (including, by way of example but not limitation, mineral rights and air rights to the extent the same may exist without any warranties or representations as to such mineral rights and air rights, if any), along with every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same in fee simple forever.

SUBJECT TO ad valorem taxes and assessments for the current year and all subsequent years, zoning ordinances and land use regulations imposed by governmental authority, and those certain permitted exceptions listed on Exhibit "A" attached hereto and incorporated herein.

Grantor hereby covenants with Grantee that, except as to those matters specified above, at the time of the delivery of this Deed, the Property was free from all encumbrances made by Grantor, and that Grantor will

warrant and defend the Property against the lawful claims and demands of all persons whomsoever lawfully claiming by, through or under Grantor herein, but against none other.

IN WITNESS WHEREOF, Grantor has executed this instrument the day and year first above written.

WITNESSES:

SR 70 LAND BRADENTON LLC, a
Delaware limited liability company

By: **REDUS PROPERTIES, INC.**, a
Delaware corporation, its sole member

Print Name: _____

By: _____
Name: _____

Print Name: _____

Title: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ of _____, 201____, by _____ as _____ **REDUS PROPERTIES, INC.**, a Delaware corporation, the sole member of **SR 70 LAND BRADENTON LLC**, a Delaware limited liability company. He/She [] is personally known to me or [] has produced his/her driver's license as identification.

Print, Type or Stamp
Name: _____
Notary Public, State of _____
Serial No., if any: _____

[Attach "Permitted Exceptions" Exhibit A to Deed]

Exhibit A [to Exhibit C of the Contract]

PERMITTED EXCEPTIONS

[To be agreed upon before Closing]

EXHIBIT D

FORM OF BILL OF SALE

Bill Of Sale

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [], a [] ("*Seller*"), does hereby grant, bargain, sell, transfer, convey, assign, and deliver unto [], a [] ("*Purchaser*"), all of Seller's right, title and interest (if any, none being warranted hereby, and to the extent legally assignable by Seller) in and to the furniture, furnishings, supplies, spare parts, machinery, equipment, tradenames, trademarks, intellectual property and all other personal property located on (and used in connection with) the operation of the certain real property described on Exhibit A attached hereto and by this reference herein incorporated (the "*Real Estate*"), and the improvements located thereon (the "*Improvements*"), including, without limitation, those items listed on Exhibit B attached hereto and by this reference herein incorporated, except for any management software installed on the computers located at the Real Estate (collectively, the "*Personalty*").

To have and to hold the Personalty unto Purchaser, its successors and assigns forever.

THE PERSONALTY IS HEREBY CONVEYED TO PURCHASER IN AN "AS IS," "WHERE IS," "WITH ALL FAULTS" CONDITION AND SELLER DOES NOT WARRANT, AND HEREBY EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES OF TRANSFER, QUALITY, FITNESS AND MERCHANTABILITY RELATING TO ANY OF THE PERSONALTY, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE PERSONALTY OR THE FITNESS OF ANY OF THE PERSONALTY CONVEYED HEREBY FOR A PARTICULAR USE OR PURPOSE OR FOR PURCHASER'S INTENDED USE OR PURPOSE. Further, Seller makes no representation or warranty with respect to the conveyance of any of the items assigned hereby, nor shall Seller be deemed in any event to be a warrantor, guarantor, or surety for the obligations of any maker of any warranties or guaranties assigned or conveyed hereunder. The Personalty conveyed hereby from Seller to Purchaser shall be without recourse to Seller.

[signature page follows]

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of _____,
20__.

“SELLER”

[_____]

By: _____
Name: _____
Title: _____

Exhibit A [to Exhibit D of the Contract]

LEGAL DESCRIPTION OF REO PROPERTY

The East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 8, Township 35 South, Range 18 East, Manatee County, Florida, LESS the portions thereof described in Deed Book 375, page 461 and OR Book 1480, page 2053, Public Records of Manatee County, Florida.

Exhibit B [to Exhibit D of the Contract]

IMPROVEMENTS

The Real Estate is a vacant land without improvements.

EXHIBIT E

[RESERVED]

EXHIBIT F

FORM OF GENERAL ASSIGNMENT

General Assignment

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, [_____] a [_____] ("*Assignor*") does hereby transfer, assign and convey to [_____] a [_____] ("*Assignee*"), all of Assignor's right, title and interest in and to the following in connection with certain real property located in _____ and legally described in the attached Exhibit A ("*Real Property*"), those certain improvements (if any) located on the Real Property ("*Improvements*"), and any personal property owned by Assignor (if any) and located on or in the Real Property or Improvements ("*Personal Property*"), which Real Property, Improvements and Personal Property are collectively referred to as the "*Property*":

1. To the extent assignable at no material cost to Seller, any unexpired warranties in connection with the construction, installation, maintenance and repair of the Improvements and purchase of the Personal Property.

2. To the extent assignable at no material cost to Seller, any management agreement, service or supply contract, equipment leases and any other agreements with independent contractors relating to the management, operation and maintenance of the Improvements and Personal Property.

3. To the extent assignable, any rights of Assignor in and to all zoning and development entitlements, development rights, permits, licenses, approvals, authorizations and all other rights, privileges and intangibles existing in connection with or appurtenant the Real Property, and all plans, specifications, drawings, surveys and reports relating to the Property and Improvements to the extent that Assignor has the right and ability to convey such rights, provided Assignee shall pay any third-party costs associated with such assignment.

4. To the extent assignable at no material cost to Seller, any rights of Assignor in any owners association in connection with the Property.

Assignee hereby accepts the above assignments and assumes all obligations and liabilities arising out of or relating to any of the above, accruing on and after the date hereof, and Assignee shall indemnify and hold Assignor harmless from and against any and all liabilities and obligations arising out of or relating to any of the above, accruing on and after the date hereof. Likewise, Assignor shall indemnify and hold Assignee harmless from and against any and all liabilities and obligations arising out of or relating to any of the above, accruing prior to the date hereof.

That certain purchase contract between _____, a
_____, and Assignor having an Effective Date of _____ (the
"Contract"), shall be in full force, except as otherwise set forth in this assignment.

"ASSIGNOR"

[_____]

By: _____
Name: _____
Title: _____

"ASSIGNEE"

[_____]

By: _____
Name: _____
Title: _____

Exhibit A [to Exhibit F of the Contract]

LEGAL DESCRIPTION OF REO PROPERTY

The East ½ of the Southwest ¼ of the Southeast ¼ of Section 8, Township 35 South, Range 18 East, Manatee County, Florida, LESS the portions thereof described in Deed Book 375, page 461 and OR Book 1480, page 2053, Public Records of Manatee County, Florida.

EXHIBIT G

[RESERVED]

EXHIBIT H

LIST OF DUE DILIGENCE MATERIALS

- 1) Comfort Letter dated October 9, 2014, from Ron H. Noble to Seller
- 2) Copy of Manatee County Zoning Ordinance PDR-06-69(Z)(P)
- 3) Chicago Title Insurance Company Title Policy No.
FL3682-46-4-05103-2009.7210609-77696991
- 4) Site Assessment Report Addendum and No Further Action Proposal dated May
2013
- 5) Natural Attenuation Monitoring Plan dated July 18, 2012
- 6) 1st Semi Annual Monitoring Report – Year 17 – dated July 11, 2012
- 7) Site Assessment Report Addendum (SARA) dated June 14, 2011
- 8) 1st Semi-Annual Monitoring report – Year 15 – dated October 19, 2010
- 9) Prior owner's policy of title insurance, if in Seller's possession or control
- 10) Any existing survey in Seller's possession or control



Department of State / Division of Corporations / Search Records / Detail By Document Number /

Detail by Entity Name

Foreign Profit Corporation

REDUS PROPERTIES, INC.

Filing Information

Document Number FF10000002124

FEE/EIN Number 26-3594924

Date Filed 05/05/2010

State DE

Status ACTIVE

Principal Address

301 S COLLEGE ST
CHARLOTTE, NC 28288-0630

Mailing Address

301 S COLLEGE ST
CHARLOTTE, NC 28288-0630

Registered Agent Name & Address

CORPORATION SERVICE COMPANY
1201 HAYS STREET
TALLAHASSEE, FL 32301-2525

Officer/Director Detail

Name & Address

Title Director, President, Secretary

BARTOK, DANIEL
301 S COLLEGE ST
CHARLOTTE, NC 28288

Title Director, Treasurer

NAGLE, JAMES P
301 S COLLEGE ST
CHARLOTTE, NC 28288

Title Director

BUSCH, ALEXANDER
301 S COLLEGE ST
CHARLOTTE, NC 28288-0630

EXHIBIT D

Title AUTHORIZED PERSON

MARTOCCHIO, AMANDA
3301 S COLLEGE ST
CHARLOTTE, NC 28288-0630

Annual Reports

Report Year	Filed Date
2016	04/25/2016
2017	04/25/2017
2018	04/26/2018

Document Images

04/26/2018 -- ANNUAL REPORT	View image in PDF format
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