MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT**, dated as of the _____ day of __________, 20__, between the **HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA** (the "Authority") and **COUNTRY CLUB MAGNOLIA FAMILY, LP**, a Florida limited partnership (the "Borrower"), duly organized and existing under the laws of the State of Florida (the "State").

SECTION 1. The matters of mutual inducement and reliance which resulted in the execution of this Memorandum of Agreement are as follows:

(a) The Authority is authorized and empowered by Chapter 159, Part IV, Florida Statutes, as amended, Chapter 2, Article III, Division 3, Sections 2-71 et seq., Leon County Code of Laws, as supplemented and amended (the "Ordinance"), and other applicable provisions of law (collectively, the "Act"), to provide for the issuance of and to issue and sell its revenue bonds for the purpose of paying all or any part of the cost of any "qualifying housing development" as defined in the Act.

(b) In order to assist in alleviating the shortage of affordable housing and of capital to finance the acquisition, construction, and equipping of affordable housing in Leon County, Florida (the "County"), it is desirable that the Authority issue and sell its Multifamily Housing Revenue Bonds (Magnolia Family), in the aggregate principal amount of not to exceed $15,000,000, in one or more series, at one or more times, a portion of which may be issued as taxable bonds (the "Bonds").

(c) If the Bonds are issued, the Authority intends to use the proceeds thereof, to make a loan to the Borrower: (i) to pay all or any part of the cost of issuance of the Bonds, (ii) to pay all or any part of the cost of acquiring, constructing, and equipping a multifamily residential rental facility known as Magnolia Family to be located at the intersection of Canton Circle and Country Club Drive, Tallahassee, Leon County, Florida (the "Development"), and (iii) to pay any other "cost" (as defined in the Act) of the Development.

(d) Subject to further review of specific terms of the proposed financing and subsequent additional approval by the Authority and subject to the recommendation and approval of the Authority's credit underwriter and satisfaction of the conditions precedent set forth below, the Authority intends to make a loan to the Borrower to finance the Development for the Borrower from proceeds of the sale of its Bonds, such loan to be payable by the Borrower in installments sufficient to pay the principal of, premium (if any), interest, and costs due on the Bonds when and as the same become due.

(e) The Borrower has requested that the Authority enter into this Memorandum of Agreement for the purpose of declaring the Authority's intention to provide financing to pay a portion of the cost of the Development.

(f) The Authority, by resolution duly passed and adopted, has made certain findings and determinations and has approved and authorized the execution and delivery of this Memorandum of Agreement.

(g) The Borrower represents that Bond proceeds will not be used to finance any costs for the Development incurred prior to the date that is 60 days prior to the date on which the Authority first declared its "official intent" to issue its revenue bonds to finance the Development as described in Treasury Regulation Section 1.150-2, except to the extent allowed by federal tax law.

SECTION 2. The Authority will cooperate with the Borrower and its agents in the Borrower's efforts to find one or more credit enhancers or purchasers for the Bonds, and if purchase arrangements satisfactory to the Authority and the Borrower can be made by the Borrower and its agents and if the Borrower meets all of the prerequisites established by the Authority for the issuance of the Bonds, the Authority will authorize the issuance and sale of the Bonds, and will use its reasonable efforts to issue and sell the Bonds to such purchaser or purchasers of the Bonds as may be designated by the Borrower, all upon such terms and conditions as shall be approved by the Borrower and the Authority and authorized by law; provided, however, that in the event and during the time in which the Bonds are not rated in one of the two highest rating categories by at least one nationally recognized credit rating agency, the Authority will approve the sale of the Bonds solely as a single bond in a denomination equal to the principal amount thereof (or of each series thereof) and solely to a single accredited investor which will at no time cause the Bonds to be offered for sale to the general public (unless the Bonds are then rated in one of the two highest rating categories by a nationally recognized rating agency). The Bonds will be payable solely from the revenues and proceeds derived by the Authority from payments by the Borrower derived from the operation, leasing, or sale of the Development, and will not constitute a debt, liability, or obligation of the Authority, the County, the State, or of any other political subdivision thereof. The Authority shall not be obligated to pay the same nor interest, premium (if any), or costs thereon except from the revenues and proceeds pledged therefor, and neither the faith and credit of the Authority, nor the faith and credit or taxing power of the County, the State, or of any other political subdivision thereof will be pledged to the payment of the principal of, premium (if any), interest or costs due pursuant to or under such Bonds. The Authority has no taxing power.

From the date hereof, until the sale of the Bonds, the Borrower will, within ten (10) days after its occurrence, notify the Authority of any material change, whether or not adverse, in the business, operations, or financial condition of the Borrower. In the event the Authority shall, at any time prior to sale of the Bonds, determine in its sole discretion that there has been a material adverse change in the structure, business, operations, or financial condition of the Borrower based upon financial statements, notices, or other information provided by the Borrower in accordance herewith, the agreement of the Authority to issue and sell the Bonds shall, at the option of the Authority, be terminated.

SECTION 3. The Authority will, at the proper time, and subject in all respects to the prior advice, consent, and approval of the Borrower, submit applications, adopt such proceedings, and authorize the execution of such documents as may be necessary and advisable for the authorization, sale, and issuance of the Bonds and the acquisition, construction, and equipping of the Development, all as shall be authorized by law and mutually satisfactory to the Authority and the Borrower.

SECTION 4. The Bonds issued shall be in such aggregate principal amount, shall bear interest at such rate or rates, shall be payable at such times and places, shall be in such forms and denominations, shall be sold in such manner and at such time or times, shall have such provisions for redemption, shall be executed, and shall be secured, all as shall be authorized by the Act and all on terms mutually satisfactory to the Authority and the Borrower.

SECTION 5. The Authority will use and apply the proceeds of the issuance and sale of the Bonds, or cause such proceeds to be used and applied, to the extent of such proceeds, to pay the cost of the Development, and will loan such Bond proceeds to the Borrower for the Development pursuant to a loan agreement or financing agreement requiring the Borrower to make payment for the account of the Authority in installments sufficient to pay all of the interest, principal, redemption premiums (if any), and other costs due under and pursuant to the Bonds when and as the same become due and payable, to operate, repair, and maintain the Development at the Borrower's own expense, to pay all other costs reasonably incurred by the Authority in connection with the financing of the acquisition, construction, and equipping and administration of the Development which are not paid out of the Bond proceeds or otherwise for so long as any of the Bonds remain outstanding, and for the conveyance to the Borrower of all rights, title, and interest of the Authority in and to the Development when all of the obligations of the Borrower under the loan or financing agreement have been performed and satisfied.

SECTION 6. The Borrower hereby acknowledges and accepts that the Borrower shall be solely responsible for the acquisition, construction, and equipping of the Development, it being understood and agreed that the Borrower shall provide all services incident to the construction and equipping of the Development (including, without limitation, the preparation of plans, specifications and contract documents, the award of contracts, the inspection and supervision of work performed, and the employment of engineers, architects, building and other contractors) and that the Borrower shall pay all costs of the Development, subject to reimbursement by the Authority upon the issuance and sale of the Bonds, from and to the extent of the available proceeds thereof, as permitted by applicable State law and federal tax law, and the use and application of such proceeds as provided above. The Authority shall have no responsibility for the provision of the aforesaid services. The Borrower agrees that to the extent that the proceeds derived from the sale of the Bonds are not sufficient to complete the Development, the Borrower, as the owner of the Development, will be responsible for supplying all additional funds which are necessary for the completion of the Development. So long as this Memorandum of Agreement is in effect, all risk of loss to the Development will be borne by the Borrower. Notwithstanding the foregoing, the parties acknowledge that the Borrower shall have no obligation to construct the Development unless the Bonds are issued as contemplated hereby.

SECTION 7. At or prior to the time of issuance and sale of the Bonds, the Authority will enter into a trust indenture or funding loan agreement with a corporate trustee (the "Trustee") to secure the Bonds, whereby the Authority's interest in the Development, the loan agreement, or financing agreement with the Borrower, and all fees, rents, charges, proceeds from the operation of the Development, and other funds and revenues in respect of the Development, other than certain rights reserved to the Authority, will be pledged and assigned to the Trustee, and held by the Trustee in trust, for the benefit of the holders, from time to time, of the Bonds.

SECTION 8. At or prior to the time of issuance and sale of the Bonds, the following conditions precedent shall have been satisfied:

(a) The Borrower shall have satisfactorily completed and satisfied all procedures and requirements established by the Authority for the review and approval of multifamily housing revenue bond issues, and has provided for the payment of all costs of issuance associated with the issuance of the Bonds, including, but not limited to, the fees and expenses of the Authority, its counsel, financial advisor, and bond counsel (in accordance with the Authority's fee schedule), fees and expenses of the Trustee, credit enhancement fees, rating fees, printing costs, and any underwriting fees and expenses.

(b) The Authority and the County shall have duly passed and adopted resolutions making all findings required by law and authorizing the issuance and sale of the Bonds and the execution and delivery of the loan agreement or financing agreement, the trust indenture or funding loan agreement, a land use restriction agreement pertaining to the use and operation of the Development, and such other agreements, instruments, and documents as may be required to be specifically authorized. It is an express condition of this Memorandum of Agreement that the Bonds be sold only in the manner and with such security, terms, and conditions as shall be approved by the Authority.

(c) The Authority shall have received a credit underwriting report with respect to the Development and the proposed financing, prepared by a credit underwriter designated by the Authority, acceptable to the Authority, and the Borrower shall have satisfied all of the conditions thereof to the satisfaction of the credit underwriter and the Authority.

(d) The Borrower shall have authorized the execution, delivery, and performance of the loan agreement or financing agreement and the land use restriction agreement, and approved the trust indenture or funding loan agreement and the issuance and sale of the Bonds, and authorized or approved such other agreements, instruments, and documents for which specific authorization or approval may be required. The Borrower shall have provided guaranties of completion, of recourse obligations, and of operating deficits and of such other matters as required by the Authority and shall have provided an environmental indemnity, all by financially responsible parties and in such forms as shall be approved by the Authority.

(e) The Borrower shall have provided a satisfactory opinion of its counsel with respect to the due authorization, execution, and delivery of the loan agreement or financing agreement, the land use restriction agreement, the guaranties and environmental indemnity and related agreements, instruments and documents, their legality, validity, binding effect, and enforceability in accordance with their respective terms, and the absence of any violation of law, rule, regulation, judgment, decree, or order of any court or other agency of government and agreements, indentures, or other instruments to which the Borrower is a party or by which it or any of its property, is or may be bound and to such other matters as may be reasonably requested.

(f) The Borrower and the Authority shall have executed and delivered such non-arbitrage certificates and representations, as may be required to comply with Section 148 of the Internal Revenue Code of 1986, as amended, or any similar successor provisions and the regulations, rulings, and interpretative court decisions thereunder.

(g) Bryant Miller Olive P.A., as bond counsel, shall have delivered its opinion with respect to the validity of the Bonds, and to, to the extent applicable, the income tax status of the interest on the Bonds.

(h) The Borrower shall have provided such other or additional representations, warranties, covenants, agreements, certificates, financial statements, and other proofs as may be required by the Authority, its counsel, or by Bryant Miller Olive P.A., as bond counsel, it being expressly understood that the Authority retains full discretion to approve or disapprove all terms and conditions contained in the financing documents.

(i) There shall have been obtained, to the extent necessary, confirmation of a private activity bond volume cap allocation from the Division of Bond Finance of the State of Florida or any successor thereto for issuance of the Bonds to finance the Development.

SECTION 9. As a condition to seeking an allocation of the Authority's private activity bond volume cap, the Borrower shall make a deposit with the Authority by cashier's check, wire transfer, or other method acceptable to the Authority in an amount of $25,000.00 (the "Commitment Fee"). If the Issuer meets its obligations under this Memorandum of Agreement and the Bond closing does not take place, the Commitment Fee shall be non-refundable. However, if the sale and closing does not take place for any other reason, the Commitment Fee is refundable, but only to the extent that any of it remains after the Authority pays all hourly and out of pocket costs of the Authority, its counsel, bond counsel, underwriters, and the financial advisor. The out of pocket costs of the Authority may include, but are not limited to, costs of printing the Bonds and official statement, drafting and distribution of Bond and loan documents, review of Bond and loan documents, travel, and rating agency fees. If the Bond issue closes, this fee will be credited against the total costs of issuing the Bonds, all of which the Borrower is required to pay.

SECTION 10. At the closing of the Bonds, the Borrower shall pay an administration fee equal to $20,000, or twenty-five one-hundredths of one percent (25/100 of 1.00% or 25 basis points) of the principal amount of the Bonds, whichever is greater. In addition, the Authority will charge an annual administration fee of two tenths of one percent or twenty basis points (2/10 of

1.00% or 20 basis points) on the outstanding amount of the Bonds, plus the costs of any ongoing third party services provided to the Authority in conjunction with the Bond issue, including loan servicing, development compliance monitoring, financial monitoring, trustee services, audit costs, and rebate analysis. For transactions that contemplate significant reduction in the amount of the Bonds within the first five years after the Bond closing, the annual administrative fee will be based upon the original amount of the Bonds issued.

SECTION 11. The Borrower shall be responsible for payment of all fees and expenses in connection with the proposed financing, including, without limitation, the fees and expenses of the Authority's financial advisor, counsel, bond counsel, credit underwriter, construction servicing, compliance, monitoring agent, and financial monitoring agent, Trustee and its counsel, the Underwriters and their counsel, the credit enhancers, and the rating agencies. The Authority reserves the right to charge fees for these services above the standard contract rate, on deals of unusual nature or with exceptionally complex structures.

SECTION 12. The Borrower agrees to indemnify, defend and hold harmless the Authority, its members and its agents against any and all liability, loss, costs, expenses, charges, claims, damages, and attorney's fees and expenses of whatever kind or nature, which the Authority, its members or its agents may incur or sustain by reason or consequence of the relationships existing between the Authority and the Borrower with respect to the execution, delivery, or performance of this Memorandum of Agreement, the consideration, processing, or analysis of the proposed financing, the authorization, offering, issuance or sale of the Bonds, or the acquisition, construction, equipping, or operation of the Development; provided, however, that the Borrower shall not be required to indemnify for a party's gross negligence or willful misconduct. The Borrower releases the Authority, the members and officers of the Authority and the agents, attorneys, and employees of the Authority from any liability, loss, cost, expense, charge, claim, damage, and reasonable attorney's fees and expenses which may result from the failure of the Authority to issue the Bonds regardless of the reason therefor.

SECTION 13. No covenant or agreement contained in this Memorandum of Agreement or the Bonds, the trust indenture or funding loan agreement, the loan agreement or financing agreement, the land use restriction agreement, or in any other instrument relating to the Bonds or the Development, shall be deemed to be a covenant or agreement of any member, officer, employee, or agent of the Authority in an individual capacity, and neither the members nor any other officer of the Authority executing the Bonds or any such agreements or instruments shall be liable personally thereon or be subject to any personal liability or accountability by reason thereof.

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IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement and affixed their respective seals, as of the date first written above.

HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA

(SEAL)

By: ______________________________
Chairman

ATTEST:

By: ______________________________
Secretary

COUNTRY CLUB MAGNOLIA FAMILY, LP, a Florida limited partnership

By: ______________________________
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