



ECG Ridge Road, LP
118 16th Avenue South, Suite 200
Nashville, TN 37203

September 2, 2022

Dr. Jeffrey Sharkey, Chair
The Housing Finance Authority of Leon County, Florida
615 Paul Russell Road
Tallahassee, Florida 32301

Re: Ridge Road development update

Dear Dr. Sharkey:

I am writing to provide an update on the Ridge Road development (“Ridge Road”), which as you know has received an Inducement Resolution from The Housing Finance Authority of Leon County, Florida (“The Authority”) in the not-to-exceed amount of \$55,000,000 and a Local Government Support Funds in the amount of \$37,500 and completed a TEFRA hearing on January 31, 2022.

On December 20, 2021 Florida Housing Finance Corporation’s (“FHFC’s”) Board of Directors approved Ridge Road’s application for a State Apartment Incentive Loan (“SAIL”) and Non-Competitive Housing Credits. On March 1, 2022, FHFC invited Ridge Road to enter the credit underwriting phase.

Over this same period, the vast majority of affordable developments across the state have experienced significant financing gaps as a result of historically abnormal increases in construction costs and spiking interest rates. In response to these market conditions, on April 29, 2022 the FHFC board implemented the CHIRP program, providing additional housing credits and SAIL proceeds to developments in process. At that time, however, FHFC decided to exclude Self-Sourced developments, such as Ridge Road, from participation in CHIRP. On August 5, 2022, FHFC expanded the CHIRP program to include Self-Sourced developments, and on August 18, 2022, we submitted a CHIRP application on behalf of Ridge Road.

At this point we are moving full-speed toward having a completed Full Credit Underwriting Report submitted to the FHFC Board in time for final approval of the SAIL loan at the Board’s December 9th meeting. We are in the midst of the Credit Underwriting process with First Housing, our assigned Credit Underwriter. We will have finalized debt and equity commitments by September 9th.

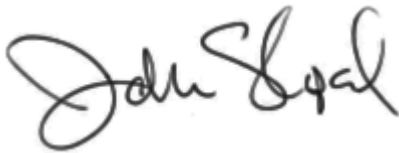
We have commenced the permitting process with Leon County and the City of Tallahassee. We received a conditional Type A site plan approval from the City on August 25th. We will be submitting

for an environmental permit (i.e. a civil/grading permit) on September 23rd and a building permit on November 11th. We are projecting receipt of our environmental permit on December 2nd and receipt of our building permit on January 24th.

Subsequent to a FHFC Board approval on December 9th, we would then be required to close on the limited partnership agreement, FHFC funding, and construction funding on or before March 10, 2023. We do not anticipate any issues meeting that deadline. We are projecting a closing date of February 17, 2023.

We are reaching out to you now to ensure that we understand the remaining process and any deadlines applicable to the Authority. We are available at the Authority's convenience for the final issuance approvals and any other matters that may need to be conducted.

Respectfully,

A handwritten signature in black ink, appearing to read "John Shepard". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Shepard".

John Shepard, Authorized Representative
ECG Ridge Road, LP

Cc: Mark Hendrickson
Susan Leigh