



ANCIENT CITY
— CAPITAL LLC —

May 4, 2023

Housing Finance Authority of Leon County, Florida
Attn: Board of Commissioners
301 S. Monroe Street
Tallahassee FL 32301

VIA ELECTRONIC DELIVERY ONLY

Re: \$70,553,565.10 Housing Finance Authority of Leon County, Florida Multifamily Housing Convertible Capital Appreciation Revenue Bonds (Tallahassee Affordable Housing Portfolio), Series 2022A-1 (the "Series 2022A-1 Bonds") and, the \$3,375,000.00 Housing Finance Authority of Leon County, Florida Taxable Multifamily Housing Revenue Bonds (Tallahassee Affordable Housing Portfolio), Series 2022A-2 (the "Series 2022A-2 Bonds," and together with the Series 2022A-1 Bonds, the "Bonds")

Commissioners:

I write on behalf of AHPC Social Tallahassee, LLC, AHPC HUB Tallahassee LLC, and AHPC Social 1600 LLC, each a Delaware limited liability company (each, a "Borrower," and collectively, the "Borrowers"), and each wholly owned by The Affordable Housing Preservation Corporation, a Florida nonprofit corporation ("AHPC") in connection with the Bonds. The purpose of the letter is to formally request (1) certain modifications to the Land Use Restrictions Agreements executed between you, as Issuer of the Bonds, and the Borrowers and (2) a substitution of your Compliance Monitoring Agent, as defined in that certain Compliance Agreement dated April 1, 2022, between you, as Issuer, and the Borrowers relating to the Bonds.

The Borrowers have deployed over \$7,000,000 in funds for project renovations, improvements, and upgrades to provide safe, clean and decent affordable housing to residents of Leon County. However, in the course of the renovations, several practical matters have come to light with respect to each Land Use Restriction Agreement ("LURA"). Specifically, the Borrowers are requesting the following accommodations:

1. An extension of the "Transition Period" for obtaining Certifications through December 31, 2023. These Facilities (as defined in the bond documents) are being converted from student housing to affordable housing. Numerous student and existing tenants refuse to provide the required income certifications (the "Certifications"). Accordingly, management is working to non-renew all student housing, and non-renew existing tenants who refuse to provide the necessary information for the Certifications.
2. Waiver of the requirement to install or provide:
 - a. Ceiling fans in all bedrooms as there is a practical impossibility in doing so as a result of configuration and construction of the buildings.

- b. Gated Community with “carded” entry or security guards. Two Facilities are unable to comply given they abut to public roads where access cannot be restricted. In lieu thereof, security cameras and license plate tag readers (linked to the Tallahassee police department) are being installed.
- c. After school programming for children on a daily basis. At the current time, despite offering after school programming for children, there has been no participation. In lieu thereof, Apartment Life (www.apartmentlife.org) continued to be engaged to provide day to day supportive services for all residents, including age-appropriate children activities when needed or appropriate.

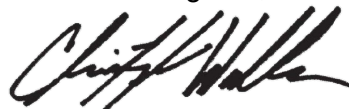
As you know, this is *not* a Low Income Housing Tax Credit transaction and, as such, project funds are limited in amount given the practical nature of the financing structure.

Further, Borrowers and AHPC, along with Ancient City Capital, and Franklin Templeton Investments (the sole bondholder) request that Amerinat be removed as your Compliance Monitoring Agent. Since the acquisition of the Facilities, the working relationship between Borrowers, their agents and Amerinat has been difficult at best. Routine matters such as timely draw processing, communications, and consistency in requests are not being met. Recently, Amerinat attempted to withhold funds and ultimately delayed a draw under the premise of enforcing the LURA, which is not within their purview. They are entitled to make recommendation to you, but not unilaterally assert rights. The level of complexity required by Amerinat in what should be a simple and effective working relationship is not sustainable.

Should the board elect to keep Amerinat as the Compliance Monitoring Agent, Borrowers, AHPC, Ancient City Capital, and Franklin Templeton Investments respectfully request that your organization allow us to restructure the bonds with a new issuer

We look forward to answering any questions with respect to this request.

Sincere regards,



Christopher Walker

CC: Barbara Cocciolo, Executive Director