

Lee County Board Of County Commissioners
Agenda Item Summary

Blue Sheet No: 20021253

1. REQUESTED MOTION

ACTION REQUESTED: Adoption of Resolution which consents to the actions taken by the Housing Finance Authority of Lee County, Florida pertaining to the issuance of Multi-Family Mortgage Revenue Bonds Series 2003.

WHY ACTION IS NECESSARY: Ratification of such action is required under Florida Statutes Chapter 159.

WHAT ACTION ACCOMPLISHES: Action will allow the Housing Finance Authority of Lee County, Florida to issue its Mortgage Revenue Bonds for multi-family financing and to provide affordable housing opportunities for low, moderate and middle income families in Lee County, Florida.

2. DEPARTMENTAL CATEGORY: 04
COMMISSION DISTRICT #: CW

C4A

3. MEETING DATE:
11-26-2002

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

5. REQUIREMENT/PURPOSE:

- (Specify)*
- STATUTE F.S. 159
 - ORDINANCE
 - ADMIN. CODE
 - OTHER

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER N/A
- B. DEPARTMENT Community Development
- C. DIVISION Planning
- BY: Paul O'Connor, AICP, Planning Director
POC 11/5/02

7. BACKGROUND: On September 25, 2002, the Housing Finance Authority of Lee County, Florida, adopted a Resolution approving the issuance of its Multi-Family Mortgage Revenue Bonds Series 2003 (Hawk's Landing Apartments) in an amount not to exceed \$11,390,000.00. In order to issue these bonds, the Lee County Board of Commissioners must adopt a resolution which provides the following:

1. Approves the issuance of bonds by the Housing Finance Authority of Lee County, Florida.
2. Ratifies the actions of the Housing Finance Authority of Lee County, Florida, including conducting the Tax Equity and Fiscal Responsibility (TEFRA) Public Hearing held on September 30, 2002
3. Approves the use of private activity allocation in the program.

The Bond program will provide low interest rate mortgage money for the financing of multi-family housing for low, moderate, and middle income residents of Lee County. Under this offering, the Lee County Board of Commissioners will have no financial or administrative cost.

In accordance with 159.612(4) F.S. "The bonds issued pursuant to the provisions hereof, and the bonds shall so state on their face, shall not be a debt of the county or the state, or any political subdivision thereof; and neither the county, nor any state or political subdivision thereof, shall be liable thereon; nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of the housing finance authority."

Attachments:

- ◆ Proposed Resolution by the Board of County Commissioners.
- ◆ Housing Finance Authority of Lee County minutes of September 25, 2002, authorizing the proposed issuance of Multi-family Mortgage Revenue Bonds Series 2003 up to \$11,390,000.00.
- ◆ Housing Finance Authority of Lee County Resolution of September 25, 2002.
- ◆ Ad for the September 30, 2002, Public Hearing.
- ◆ Minutes of the TEFRA Public Hearing on September 30, 2002.

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>M...</i>		N/A	N/A	<i>Andrea Bease</i>	OA <i>11/7/02</i>	OM <i>10/7/02</i>	Risk <i>11/07/02</i>	GC <i>11/07/02</i>	<i>[Signature]</i>
					RECEIVED BY COUNTY ADMIN. <i>TD</i>				
					<i>11-6-02</i>				
					COUNTY ADMIN. FORWARDED TO: <i>BH</i>				
					<i>11/7 1130</i>				

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

Rec. by CoAtty
Date: *11/6/02*
Time: *1:43 PM*
Forwarded To:
11/6/02 3:30pm

RECEIVED BY
COUNTY ADMIN. *TD*
11-6-02
COUNTY ADMIN.
FORWARDED TO: *BH*
11/7 1130

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA, APPROVING THE ISSUANCE OF NOT EXCEEDING \$11,390,000.00 HOUSING FINANCE AUTHORITY OF LEE COUNTY MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2003 (HAWK'S LANDING APARTMENTS PROJECT) PURSUANT TO CHAPTER 159, PART IV, FLORIDA STATUTES, AS AMENDED.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA:

SECTION 1. RECITALS. It is hereby found, ascertained, determined and declared that:

A. The Board of County Commissioners of Lee County, Florida, created the Housing Finance Authority of Lee County, Florida (the "Issuer"), by Resolution No. 81-8-19 adopted on August 19, 1981, and Ordinance 81-37 adopted on August 19, 1981. The Issuer is a body corporate and politic duly created and existing as a local governmental body and a public instrumentality for the purpose of assisting qualifying housing projects situated in Lee County, Florida (the "County"), under and by virtue of Chapter 159, Part IV, Florida Statutes (the "Act"), to provide for the issuance of and to issue and sell its obligations for lawful corporate purposes.

B. The Issuer has submitted to the Board of County Commissioners a copy of its Resolution (the "Resolution") with respect to the issuance by it of not exceeding \$11,390,000.00 of Housing Finance Authority of Lee County Multifamily Housing Revenue Bonds, Series 2003 (the "Bonds").

C. A public hearing was held on the issuance of the Bonds on September 30, 2002, which public hearing was duly conducted by the Issuer upon reasonable public notice, and at such hearing interested individuals were afforded the opportunity to express their views, both orally and in writing, on all matters pertaining to the location and nature of the proposed project and to the issuance of the Bonds.

D. The Issuer has recommended and requested that the Board of County Commissioners approve the issuance of the Bonds so that the interest on the Bonds will be exempt from federal income taxation under applicable provisions of Section 147(a) of the Internal Revenue Code of 1986, as amended.

E. The Resolution shows that the Issuer has acted in accordance with all applicable requirements of law, and that the issuance of the Bonds will serve significant public purposes as provided in the Act.

F. The purpose of the Act will be effectively served, and it is necessary and desirable and in the best interest of the County that the issuance of the Bonds be approved by the Board of County Commissioners.

G. The Bonds shall not constitute a debt or a pledge of the faith and credit of the Issuer, the County, the State of Florida or any political subdivision thereof, and neither the Issuer, the County, the State of Florida nor any political subdivision thereof shall be liable thereon; nor in any event shall the Bonds be payable out of any funds or properties other than those of the Issuer, and then only to the extent provided in the Indenture. No member of the Board of County Commissioners or any officer thereof shall be liable personally on the Bonds by reason of its issuance.

SECTION 2. APPROVAL OF ISSUANCE OF THE BONDS. The issuance of the Bonds as contemplated by the Resolution is hereby approved; however, this approval shall in no way be deemed to abrogate any land development regulations of the County and the Project contemplated by this Resolution shall be subject to all such regulations, including, but not limited to, the County's Comprehensive Plan and all concurrence requirements contained therein.

SECTION 3. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflict, are hereby superseded and repealed.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this ____ day of _____, 2002.

LEE COUNTY, FLORIDA

(SEAL)

By: _____
Chairman, Board of County
Commissioners of Lee County, Florida

ATTEST:

Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

County Attorney

HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA

MINUTES OF REGULAR MEETING

September 25, 2002

5:35 p.m.

On Wednesday, September 25, 2002, at 5:35 p.m., in the law offices of Philip L. Burnett, P.A., 2449 First Street, Fort Myers, Florida, 33901, E. Walter Barletta, Chairman of the Housing Finance Authority of Lee County, Florida (the "Authority"), called the meeting to order.

Immediately thereafter, the Chairman called for a roll call of the members. Philip L. Burnett, counsel for the Authority, was present and called the roll. Walter Barletta, Walter Ferguson, Virginia Yates, Michael Villalobos, and Thomas Birch were present at the meeting. Also in attendance at the meeting was Phil Harloff with Raymond James and Associates, Inc. ("Raymond James"), the Authority's managing underwriter.

The Chairman suggested that the Authority address the approval of the Authority's Minutes for its July 17, 2002, Regular Meeting. Immediately thereafter, on motion duly made by Walter Ferguson and seconded by Thomas Birch, the Authority approved the Minutes of its July 17, 2002, Regular Meeting.

The Chairman then suggested that the Authority address Item IV on its Agenda, i.e., to consider, discuss and vote on the issuance by the Housing Finance Authority of Lee County, Florida, as Issuer, of its Multi-Family Mortgage Revenue Bonds, Series 2003 in the aggregate principal amount of not to exceed of \$11,390,000.00, \$10,250,000.00 in tax exempt bonds and \$1,140,000.00 in taxable bonds, in connection with the Supplemental Application submitted to the Authority by Hawk's Landing Associates, Ltd. and the possible entering into of an inducement resolution with such entity for their proposed Hawk's Landing Apartment Project ("Project"). The Chairman recognized Mr. Burnett. Mr. Burnett said that the Authority had approved the developer's request for the Authority's issuance of tax exempt and taxable bonds in the aggregate principal amount of \$9,925,000.00, \$9,000,000.00 in tax exempt bonds and \$925,000.00 in taxable bonds, for the funding of the Project at its last meeting but that the developer had indicated that it would like to increase the funding for the Project so as to increase the size of the Project from 172 units to 204 units. After a brief discussion, on motion duly made by Walter Ferguson and seconded by Michael Villalobos, the members of the Authority unanimously approved of the proposed issuance by the Authority of its Multi-Family Mortgage Revenue Bonds, Series 2003 in the aggregate principal amount of not to exceed of \$11,390,000.00 to finance the acquisition, construction, and equipping of Hawk's Landing Associates, Ltd. proposed Hawk's Landing Apartment Project ("Project").

The Chairman then suggested that the Authority address Item V on its Agenda, i.e., consider, discuss and vote on the Authority's Budget for fiscal year ending September 30, 2003 (the "Budget"). The Chairman recognized Mr. Burnett. Mr. Burnett said that, although the Authority had adopted its Budget at its last meeting, in the process of making the adjustments that the Authority had made to the Budget, he and Ms. Yates had noticed certain apparent oversights that they felt needed to be brought to the Authority's attention and possibly corrected. He said that they had also noticed that the Budget reflected projected income of \$97,500.00 from a proposed Project in Sarasota County and, if the Sarasota Project did not materialize, the Budget, as approved, would provide for the expenditure of more money than the Authority might receive as income. A discussion then took place as to what adjustments, if any should be made to the Budget. Thereafter, on motion duly made by Walter Ferguson and seconded by Michael Villalobos, the members of the Authority unanimously agreed that the: (1) format of the Budget should be adjusted to set forth the Income section above the Expenses of the Budget, (2) the \$97,500.00 of income projected from the proposed Sarasota Project should be deleted, (3) the monies budgeted for Marketing & Promotional expense under Affordable Housing Education & Promotion should be reduced by \$35,000.00 to \$15,000.00, (4) monies budgeted for Miscellaneous under Administrative Expenses should be increased by \$6,487.78, (5) the line item for Projected Net Operating Income should be deleted, and (6) the Total Expected Income and the Total Expected Expenses should both be adjusted downward to \$521,062.22.

The Chairman next suggested that the Authority address Item VI on its Agenda, i.e., consider, discuss and vote on the Authority's use of the tax exempt volume cap allocation for Lee County and for Region 8 for the year 2003, including, but not limited to, the use of it for both single family and multifamily affordable housing both in Lee County and the other Counties in Region 8, with an emphasis on how to better manage an equitable distribution of it. The Chairman reminded the members that the Authority had discussed this issue at length at its last meeting and they had generally come to a conclusion as to how to deal with the tax exempt volume cap allocation for the year 2003. He then said that Phil Harloff had drafted a letter to all of the Regional participants in Region 8 that he wanted the members of the Authority to approve before it was mailed to the Regional participants so that they would be in a position to consider the matter at the next Regional meeting in October. He then recognized Mr. Harloff. Mr. Harloff said that the letter was initially drafted by him and then circulated to the members of the Authority's Professional Staff for comment. He said that he had received comments from Robin Miller and Lakshmi McGrath with the First Southwest Company and from Phil Burnett. He said that all of the comments that he had received from them were incorporated into the latest draft of the letter with the exception a suggestion that Mr. Burnett had made to strike "the remaining allocation in the Region but not less than" in line two of the Group 2 paragraph under Policy, Establish Limits for Annual Multifamily Projects. He said that he thought that the provision should be included because he thought that was what the members of the Authority had concluded. The Chairman then recognized Mr. Burnett. Mr. Burnett said that he thought the language should be stricken because he did not think that it was fair to the rest of the Region, primarily because it would only benefit one developer in one county and

he did not think that it was appropriate to do so. He said that he thought that, if there was any allocation available in the Region after providing for \$10,000,000.00 for the Charlotte County Housing Finance Authority, the volume cap presently allocated for the Authority, Sarasota County, and the Collier County Housing Finance Authority, it should be placed in single family funds or allocated as agreed by the Regional participants. A discussion then took place as to the Authority's 2002 Single Family Bond Program, the status of requests for volume cap allocation in the various counties in Region 8 and what to do with any possible excess volume cap allocation. At the conclusion of the discussion, it was agreed that the provision dealing with the remaining allocation referred to above be stricken from the letter. The Chairman suggested and the members agreed that any excess volume cap allocation in excess of the \$10,000,000.00 referred to above should be agreed to by the various Regional participants much like they have done in the past. He also suggested that someone should bring up the possibility of using the excess volume cap allocation, if any, to satisfy the remaining volume cap allocation agreed to with the Bonita Springs Utilities. However, he said that, if the Region does agree to do so, he felt that the offer should be made to the Lee County Industrial Development Authority and all of the members of the Authority concurred. The matter was concluded with a discussion as to the manner in which the issues should be presented to the Regional participants.

The Chairman next inquired as to whether or not it was necessary for the Authority to meet in light of the fact that there was a Regional meeting set for October and that the members of the Authority had agreed not to have a regular meeting of the Authority unless necessary. The Chairman recognized Mr. Burnett. Mr. Burnett said that he thought that the Authority should meet right after the Regional meeting on October 16, 2002, if for no other reason, to approve the Minutes of the TEFRA hearing for the Hawk's Landing Project and to authorize the Chairman and Secretary to enter into an Inducement Resolution and Memorandum of Agreement for the Project so that the Lee County Board of County Commissioners can approve the Project. After a brief discussion, it was unanimously agreed that the Authority should have its next Regular meeting immediately after the Regional meeting on October 16, 2002.

The Chairman then asked if anyone had any business to bring before the Authority. Mr. Burnett said that he had a couple of things to bring before the Authority. First, he said that he had just received copies of the final draft of the Deborah Halliday Study that was prepared for the Lee County Affordable Housing Committee and the Shimberg Center Housing Report for 2002, copies of which were provided to each of the members of the Authority. He said that he also wanted to bring the members of the Authority up to date on various other matters that he was dealing with. He said that he had been working with the Area Housing Commission of Clewiston, LaBelle, and Hendry County (the "Area Housing Commission") and the Cape Coral Housing Rehab and Development Corporation ("Cape Housing Rehab") to assist each of them in trying to obtain financing for their proposed Projects. He said that he had been working with Mike Watkins, Esq. with Nabors, Giblin & Nickerson, P.A., the Authority's Bond Counsel on trying to come up with a financing method for the proposed elderly project of the Area Housing Commission in Clewiston and Cape Housing's Coral Village Project in Cape Coral.

Mr. Burnett said that they had not come to any conclusions yet but that they were considering all available options. He said that it was obvious to him that all of the communities in Southwest Florida are facing or going to be facing the same problem in trying to find or create affordable housing for seniors in the years to come but that there does not presently appear to be an appropriate financing vehicle to do so. He said that one of the things that he was trying to find is someone that knows how to layer financing from various sources that might facilitate the financing of elderly projects. He said that Mr. Ferguson had suggested that he attend the Florida Housing Collation Conference (the "Conference") in Sarasota in October in his place to see if anyone there can assist in the layering of proposed elderly projects or if he could get any ideas as to how to finance them.

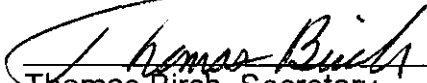
After a brief discussion, the members of the Authority agreed that Mr. Burnett should attend the Conference if he can and that the Authority would reimburse him for his expenses in attending it. Mr. Villalobos suggested that the Authority might want to consider discussing these housing issues with representatives from Florida Gulf Coast University to see if they could and would assist the Authority in trying to find a way to solve these issues.

The members of the Authority each agreed that it would be a good idea and Mr. Villalobos said that he would look into the matter.

The Chairman next presented a request from the Cape Coral Housing Development Corporation ("Cape Housing Development") for a grant of \$6,000.00 to assist them in the funding of their monthly homebuyer workshops. The Chairman recognized Ms. Yates who stated on the record that she was on the Board of the Cape Housing Development and that she would therefore have to abstain in voting or commenting on their request. After a brief discussion, with Ms. Yates abstaining, it was unanimously agreed that the Authority should deny Cape Housing Development's request. It was also agreed that the Chairman should send them a letter advising them that the Authority would not be able to assist them in providing funds as no money was allocated for such purposes and that the Authority had established a policy of not funding administrative expenses for other entities as the Authority had decided that their primary goal is the creation of affordable housing and all of its available resources should be used for such purposes.

There being no further business to come before the Authority, on motion duly made by Walter Ferguson and seconded by Thomas Birch, the meeting was adjourned at 7:32 p.m.

Respectfully submitted,


Thomas Birch, Secretary

Approved at the 10/16/02,
Meeting of the Housing Finance
Authority of Lee County, Florida

RESOLUTION 02-06

RESOLUTION REGARDING THE OFFICIAL ACTION OF THE HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA, RELATIVE TO THE ISSUANCE OF NOT TO EXCEED \$11,390,000.00 MULTIFAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND DEVELOPING A MULTIFAMILY RESIDENTIAL HOUSING FACILITY FOR PERSONS OR FAMILIES OF LOW, MIDDLE OR MODERATE INCOME; AND FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE AUTHORITY AND HAWK'S LANDING ASSOCIATES, LTD.; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, HAWK'S LANDING ASSOCIATES, LTD., a Florida limited partnership, (the "Company") has applied to the Housing Finance Authority of Lee County, Florida (the "Authority") to (i) issue its multifamily housing revenue bonds in a principal amount not to exceed \$11,390,000.00, consisting of an amount not to exceed \$10,250,000.00 of tax-exempt bonds (the "Tax-Exempt Bonds") and an amount not to exceed \$1,140,000.00 of taxable bonds (the "Taxable Bonds") (the Tax-Exempt Bonds and the Taxable Bonds being referred to herein collectively as the "Bonds") for the purpose of financing the acquisition, construction, equipping and development of a multifamily residential housing facility for persons or families of low, middle or moderate income to be located in Lee County, Florida, (the "Project"), and (ii) to loan the proceeds of the Bonds to the Company pursuant to Chapter 159, Part IV, Florida Statutes, or such other provision or provisions of Florida law as the Authority may determine advisable (the "Act"); and

WHEREAS, subject to the terms set forth herein and in the Memorandum of Agreement attached hereto as Exhibit A, the Authority made a determination to issue the Bonds under the Act, if so requested by the Company, in one or more issues or series not exceeding an aggregate principal amount of \$11,390,000.00 and to loan the proceeds thereof available to finance the Project under a loan agreement or other financing agreement which will provide that payments thereunder be at least sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds and such other costs in connection therewith as may be incurred by the Authority, and that it will assist the Company and promote the purposes provided in the Act; and

WHEREAS, the Company has submitted the Memorandum of Agreement relating to the issuance of the Bonds, attached hereto; and

WHEREAS, in order to satisfy certain of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, the Authority held a public hearing on the proposed issuance of the Tax-Exempt Bonds for the purposes herein stated on the date hereof, which date is at least 14 days following the first publication of notice of such public hearing in a newspaper of general circulation in Lee County, Florida (a true and accurate copy of the proof of publication of such notice is attached hereto as Exhibit B), which public hearing was conducted in a manner that provided a reasonable opportunity for persons with differing views to be heard, both orally and in writing, on both the issuance of such Tax-Exempt Bonds and the location and nature of the portion of the Project to be financed with the proceeds therefrom.

WHEREAS, it is intended that this Resolution shall constitute official action toward the issuance of the Tax-Exempt Bonds within the meaning of the applicable United States Treasury Regulations.

IT IS, THEREFORE, DETERMINED AND RESOLVED BY THE HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA, THAT:

1. APPROVAL OF THE PROJECT. The acquisition, construction, equipping and development of the Project and the financing thereof by the Authority through the issuance of the Bonds, pursuant to the Act, will promote the health and welfare of the citizens of Lee County, Florida, and will thereby serve the public purposes of the Act.

2. EXECUTION AND DELIVERY OF THE MEMORANDUM OF AGREEMENT. The Chairman or Vice Chairman of the Authority hereby are authorized and directed to execute, for and on behalf of the Authority, the Memorandum of Agreement attached hereto as Exhibit A between the Authority and the Company providing understandings relative to the proposed issuance of the Bonds by the Authority to finance the Project in an aggregate principal amount not to exceed the lesser of (a) \$11,390,000.00, or (b) the cost of the Project, as determined by the Authority.

3. AUTHORIZATION OF THE BONDS. Subject to the terms and conditions set forth herein and in the Memorandum of Agreement attached hereto, there is hereby authorized to be issued and the Authority hereby determines to issue the Bonds, if so requested by the Company, in one or more issues or series in an aggregate principal amount not to exceed \$11,390,000.00 for the purpose of financing the Project described in such Memorandum of Agreement. The Bonds shall be designated "Housing Finance Authority of Lee County, Florida Multifamily Housing Revenue Bonds (Hawk's Landing Apartments Project)". The rates of interest payable on the Bonds shall not exceed the rate permitted by law.

4. RECOMMENDATION FOR APPROVAL TO BOARD OF COUNTY COMMISSIONERS. The Authority hereby recommends that the Board of County Commissioners of Lee County, Florida (the "Board") approve the issuance of the Bonds and the financing of the Project. The Authority hereby directs the Chairman, Vice Chairman or Authority's Counsel, either alone or jointly, at the expense of the Company, to seek approval for the issuance of the Bonds and the financing of the Project by the Board as the applicable elected representatives of Lee County, Florida, under and pursuant to the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended.

5. GENERAL AUTHORIZATION. The Chairman, the Vice Chairman, the Secretary and counsel for the Authority hereby are further authorized to proceed, upon execution of the Memorandum of Agreement, with the undertakings provided for therein on the part of the Authority and are further authorized to take such steps and actions as may be required and necessary in order to cause the Authority to issue the Bonds subject to the terms and conditions set forth herein and in the Memorandum of Agreement authorized hereby.

6. AFFIRMATIVE ACTION. This resolution is an affirmative action of the Authority toward the issuance of the Bonds, as contemplated in said Memorandum of

Agreement, in accordance with the purposes of the laws of the State of Florida and the applicable United States Treasury Regulations.

7. APPROVAL OF NOTICE OF PUBLIC HEARING. The form of notice of public hearing attached hereto as Exhibit B is hereby approved and the publishing thereof ratified by the Authority.

8. APPOINTMENT OF COUNSEL. The firm of Nabors, Giblin & Nickerson, P.A. is duly appointed Bond Counsel in connection with the issuance of the Bonds. The firm of Phillip L. Burnett, P.A., Fort Myers, Florida, is duly appointed Issuer's Counsel.

9. LIMITED OBLIGATIONS. The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the Authority, Lee County, the State of Florida or any political subdivision or agency thereof but shall be payable solely from the revenue pledged therefor pursuant to a loan agreement or other financing agreement entered into by and between the Authority and the Company prior to or contemporaneously with the issuance of the Bonds.

10. LIMITED APPROVAL. The approval given herein shall not be construed as an approval of any necessary zoning applications nor for any other regulatory permits relating to the Project and the Authority shall not be construed by reason of its adoption of this Resolution to have waived any right of the County and/or of any city in which the proposed Project is to be located or to have estopped the County and/or such city, if any, from asserting any rights or responsibilities it may have in that regard. In addition, this Resolution and the Memorandum of Agreement attached hereto as Exhibit A are conditioned upon and subject to: (1) the determination by the Authority, in its sole and absolute discretion at a date in the future, that it is in the best interests of the Authority, the residents of Lee County, Florida, and the other housing finance authorities and counties in Region 8 to use the tax exempt volume cap allocation potentially available to the Authority to issue the Bonds; (2) receipt of the necessary volume cap tax exempt allocation from the State of Florida, Division of Bond Finance; (3) receipt of the approval of the Project and the proposed financing of the Project by the Board; (4) the ownership and control of the Company and its principals shall not vary more than five (5%) percent from what has been represented to the Authority in the Company's Application; (5) the number of multi-family units to be constructed by the Company not decreasing by more than five (5%) percent from the 204 units referenced in the Company's Application, as supplemented; (6) the proposed Project, including, but not limited to design, materials, type of construction materials, etc. shall not change materially without the prior written consent of the Authority; and (7) the closing of the Bonds shall occur on or before May 15, 2003, unless extended by the Authority in its sole and absolute discretion. In the event that any of the foregoing events shall not take place, if applicable, shall occur or take place, if applicable, or if the Closing of the Bonds should fail to close by May 15, 2003, unless the Closing is extended by the Authority, it shall operate as a termination of this Resolution and the Memorandum of Agreement.

11. BOND ALLOCATION. Upon approval by the Board of the issuance of the Bonds and the financing of the Project and a determination by the Authority to request private activity bond allocation with respect to such Tax-Exempt Bonds, the Chairman, Vice Chairman or Authority's Counsel are hereby authorized to execute all necessary documents for obtaining and preserving an allocation from the State of Florida, Division of Bond Finance upon request by the Company.

This Resolution shall take effect immediately.

ADOPTED this 16th day of October, 2002.

HOUSING FINANCE AUTHORITY OF
LEE COUNTY, FLORIDA

(SEAL)

By: 
E. Walter Barletta, Chairman

ATTEST:

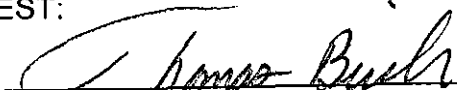
By: 
Thomas B. Birch, Secretary

EXHIBIT A

MEMORANDUM OF AGREEMENT FOR ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS

This Agreement between the Housing Finance Authority of Lee County, Florida (the "Authority"), a body corporate and politic of the State of Florida and HAWK'S LANDING ASSOCIATES, LTD. (the "Company"), a Florida limited partnership, organized and validly existing under the laws of the State of Florida and authorized to do business in the State of Florida.

WITNESSETH:

1. PRELIMINARY STATEMENT. Among the matters of mutual understanding which have resulted in the execution of this Memorandum of Agreement are the following:

(a) The Florida Housing Finance Authority Law (Chapter 159, Part IV, Florida Statutes), as amended, (the "Act") provides that the Authority may issue its revenue bonds and loan the proceeds thereof to one or more persons, firms or private corporations, or use such proceeds to defray the cost of acquiring, by purchase or construction, certain qualifying facilities.

(b) The Company is considering acquiring, constructing, equipping and developing a multifamily residential housing facility for persons or families of low, middle or moderate income (the "Project") to be located within the boundaries of Lee County, Florida. It is estimated that the cost of the acquisition, construction, equipping and development of the Project will be approximately \$16,624,107.00.

(c) The Authority intends this Memorandum of Agreement to constitute its official binding commitment, subject to the terms and conditions set forth herein and in the Resolution authorizing the Authority to enter into this Memorandum of Agreement, to issue its bonds in a principal amount not to exceed \$11,390,000.00 (the "Bonds") in one or more series or issues pursuant to the Act in an amount to be agreed upon by the Authority and the Company and to loan the proceeds thereof to the Company, or to use such proceeds, to finance the cost of acquiring, constructing, equipping and developing the Project, including all costs incurred in connection with the issuance of the Bonds by the Authority, up to an amount not to exceed \$11,390,000.00.

(d) The Authority considers the issuance and sale of the Bonds, for the purpose hereinabove set forth, consistent with the objectives of the Act. This commitment is an affirmative official action of the Authority toward the issuance of the Bonds as herein contemplated in accordance with the purposes of both the Act and the applicable United States Treasury Regulations.

2. UNDERTAKINGS ON THE PART OF THE AUTHORITY. Subject to the terms and conditions set forth herein and in the Resolution authorizing the Authority to enter into this Memorandum of Agreement, the Authority agrees as follows:

(a) The Authority will authorize the issuance of the Bonds in the aggregate principal amount necessary and sufficient to finance the cost of acquiring, constructing, equipping and developing the Project as the Authority and the Company shall agree in

writing, but in all events, the principal amount of such Bonds shall not exceed the lesser of (i) the cost of the Project, as determined by the Authority or (ii) \$11,390,000.00.

(b) The Authority will cooperate with the Company and with the underwriters or purchasers of the Bonds and the Authority's Counsel with respect to the issuance and sale of the Bonds and will take such further action and authorize the execution of such documents as shall be mutually satisfactory to the Authority and the Company for the authorization, issuance and sale of such Bonds and the use of the proceeds thereof to finance the cost of acquiring, constructing equipping and developing the Project.

(c) Such actions and documents may permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether *pari passu* with other series of bonds or otherwise, for the purpose of defraying the cost of completion, enlargements, improvements and expansion of the Project, or any segment thereof, or refunding of the Bonds.

(d) The loan or financing agreement (the "Loan Agreement") between the Authority and the Company shall, under the terms agreed upon by the parties, provide for payments to be made by the Company in such sums as shall be necessary to pay the amounts required under the Act including the principal of and interest and redemption premium, if any, on the Bonds, as and when the same shall become due and payable.

(e) In authorizing the issuance of the Bonds pursuant to the Loan Agreement, the Authority will make no warranty, either expressed or implied, that the proceeds of the Bonds will be sufficient to pay all costs of acquiring, constructing, equipping and developing the Project or that those facilities encompassed by the Project will be suitable for the Company's purposes or needs.

(f) The Bonds shall specifically provide that they are payable solely from the revenues derived from the Loan Agreement between the Authority and the Company or other agreements approved by the Authority, except to the extent payable out of amounts attributable to Bond proceeds. The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit of the Authority, Lee County or of the State of Florida, and such fact shall be plainly stated on the face of the Bonds.

(g) Due to the tax exempt volume cap limitations established by the State of Florida on the issuance of tax exempt bonds, the Authority's desire to work with the other housing finance authorities and counties in Region 8, and the Authority's need to make sure that its priorities with respect to the use of same are maximized, the Authority reserves the right, in its sole and absolute discretion, to determine if, in what amount, and when to file a Request for Allocation for the Project with the State of Florida, Division of Bond Finance. Subject to the foregoing, at any time after receipt of this Memorandum of Agreement, properly executed by the Company (but before the expiration date), the Authority may file with the State of Florida, Division of Bond Finance a Request for Allocation upon receipt from the Company of an executed request therefor in the form set forth herein. Nothing contained herein shall be deemed to be a guarantee by the Authority of the tax-exempt private activity bond allocation for the Company's Project.

3. UNDERTAKINGS ON THE PART OF THE COMPANY. Subject to the terms hereof, the Company acknowledges and agrees as follows:

(a) Although the Authority has approved the proposed Project, it has reserved the right, in its sole and absolute discretion, to determine if it is in the Authority's best interest to file or to delay in the filing of a Request for Allocation with the State of Florida, Division of Bond Finance. Accordingly, the Authority retains the absolute right to determine if, in what amount, and when the Request for Allocation shall be filed on behalf of the Company, depending on what the Authority deems is in its best interest to maximize its priorities and to allow it to work with the other housing finance authorities and counties in Region 8 for the common good. The Authority reserves the right, in its sole and absolute discretion, to reduce the amount of tax-exempt bond allocation for the Project in order to finance additional multifamily housing projects or a single family housing issue.

(b) The Company has been advised that the State of Florida has adopted rules and regulations regarding the use of allocations and requires that an issuer issue the Tax-Exempt Bonds in substantially the entire amount of the allocation within one hundred and fifty-five (155) days from the date of the granting of an allocation, unless it is extended under certain circumstances. The foregoing notwithstanding, the Company has been advised by the Authority that the Closing on the Bonds shall take place on or before May 15, 2003, and the Company agrees to said date and affirmatively states that it can close on the Bonds on or before said date. The Company further acknowledges that the failure to timely actually issue Tax-Exempt Bonds within a specified percentage of the allocation can result in the loss of the allocation and/or additional fees to be paid to the Authority. Accordingly, the Company shall be fully responsible for determining the size of the allocation to be requested, subject to the proviso that the request shall not be for a principal amount of Bonds which exceed the amounts set forth in paragraph 2(a), and taking into account carry forward allocations, if any.

(c) The Company will use reasonable efforts to insure that the Bonds in the aggregate principal amount as stated above are timely sold; provided, however, that the terms of such Bonds and of the sale and delivery thereof shall be mutually satisfactory to the Authority and the Company.

(d) Prior to the issuance of the Bonds, in one or more series or issues from time to time as the Authority and the Company shall agree in writing, the Company will enter into a Loan Agreement with the Authority, the terms of which shall be mutually agreeable to the Authority and Company, providing for the loan or use of the proceeds of the Bonds to finance the Project. Such agreement will provide that the Company will be obligated to pay the Authority (or pay to trustees for holders of the Bonds on behalf of the Authority, as the case may be) sums sufficient in the aggregate to enable the Authority to pay the principal of and interest and redemption premium, if any, on the Bonds, as and when the same shall become due and payable, and all other expenses related to the issuance and delivery of the Bonds. The Company will agree in such documents that if the cost of acquisition and construction of the Project exceeds the amounts allocated therefor, it shall not be entitled to any reimbursement for any such excess either from the Authority, the bondholders or the trustee for the bondholders.

(e) The Company shall be responsible for and timely pay the Authority's Good Faith Deposit required by the Authority's Application Procedures and Program Guidelines, the issuance fee in effect at the time the Bonds are issued and the fees and costs of Counsel to the Issuer and the fees and costs of Bond Counsel to the Issuer, including applicable retainers, plus such other fees and costs as may be required.

(f) The Company shall, in addition to paying the amount set forth in the Loan Agreement, pay all costs of operation, maintenance, taxes, governmental and other charges that may be assessed or levied against or with respect to the Project.

(g) The Company will hold the Authority free and harmless from any loss or damage and from any taxes or other charges levied or assessed by reason of any mortgaging or other disposition of the Project.

(h) The Company will take such further action as may be required to implement its aforesaid undertakings and as it may deem appropriate in pursuance thereof.

(i) All fees and costs that the Company is required to pay, including but not limited to, the issuance fee, and counsel fees and costs not paid at the time of application shall be paid in full at the time of the sale and delivery of the Bonds. If a tax exempt allocation is received, the Company shall pay upon request a reasonable retainer to Issuer's Counsel and Bond Counsel to compensate said counsel for legal services, which must be performed, and costs that will be incurred whether or not the Bonds are actually issued. Any retainers so paid will be credited against the respective counsel fees and costs payable at closing.

(j) The number of multi-family units to be constructed by the Company will not decrease more than five (5%) percent from the number of multi-family units that it represented that it would construct in its Application, as supplemented, to the Authority that resulted in the issuance of the Inducement Resolution and this Memorandum of Agreement.

(k) There shall not have been a material change in the proposed Project as represented to the Authority by the Company in the Application that it filed with the Authority, including, but not limited to design, materials, type of construction materials, etc. without the prior written consent of the Authority.

(l) The closing of the sale of the Bonds shall occur on or before May 15, 2003, unless extended by the Authority at its sole and absolute discretion. In the event that the closing on the sale of the Bonds does not occur on or before May 15, 2003, and the Authority chooses not to extend the closing date, the Company shall have no further rights under this Memorandum of Agreement. Further, in such event, the Authority may apply for and use the tax exempt volume allocation, if available, for the funding of such other multifamily housing projects or single family housing as it deems best serves the interests of the residents of Lee County, Florida, and the other counties in Region 8.

(m) The ownership and control of the Company and its principals shall not vary more than five (5%) percent from what has been represented in the Company's Application to the Authority without the prior written consent of the Authority.

(n) The Company and its principals shall have fully and timely complied with the terms of the Authority's Application Procedures And Program Guidelines, including, but not limited to the timely payment of all fees and costs due to the Authority, its Counsel and its Bond Counsel.

(o) The Company and certain related parties or guarantors as determined by the Authority shall be required to enter into an environmental indemnity and certain other guaranties.

4. GENERAL PROVISIONS. All commitments of the Authority under Section 2 hereof and of the Company under Section 3 hereof are subject to the conditions that the following events shall have occurred not later than May 15, 2003, or such other date as shall be mutually satisfactory to the Authority and Company:

(a) The Authority shall be lawfully entitled to issue the Bonds as herein contemplated.

(b) The Authority and Company shall have agreed on mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of any trust instrument in respect thereto and Loan Agreement or other agreements incidental to the financing or referred to in Sections 2 and 3 hereof.

(c) Such other rulings, approvals, consents, certificates of compliance, opinions of counsel and other instruments and proceedings satisfactory to the Company and to the Authority as to such matters with respect to the Bonds, the Project, the Loan Agreement and any trust instrument, as shall be specified by the Company or the Authority, shall have been obtained from such governmental, as well as non-governmental, agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and shall be in full force and effect at the time of issuance of the Bonds.

(d) The Company and the Authority each reserve the absolute right to unilaterally cancel this Memorandum of Agreement at any time prior to the time the Bonds are issued by the Authority upon written notice of cancellation.

(e) If the events set forth in this Section 4 do not take place within the time set forth or any extension thereof, or if the Company or the Authority exercises its rights of cancellation as set forth in this Section 4, the Company agrees that it will reimburse the Authority for all the reasonable and necessary direct or indirect expenses which the Authority may incur at the Company's request arising from the execution of this Memorandum of Agreement, and the performance by the Authority of its obligations hereunder, including legal fees and expenses for counsel to the Authority and Bond Counsel. In addition, the Authority shall be entitled to keep all fees paid to it pursuant to the Authority's Application Procedures and Program Guidelines.

(f) The Company acknowledges that the Authority may, during the time this Memorandum of Agreement is in effect, issue similar "inducement" agreements to other companies for other multifamily housing projects, and/or may issue bonds or participate jointly with other authorities to issue bonds for single family housing. This Memorandum of Agreement will create no priority or rights vis a vis subsequent agreements for the issuance of multifamily or single family housing bonds. Further, in the event that the Authority deems it to be in the Authority's best interest due to tax exempt volume cap limitations, the Company agrees to use its best efforts to adjust the amount of the tax exempt volume cap requested for its proposed Project so as to allow the Authority to maximize its goals of providing affordable housing.

(g) The Authority shall have obtained the consent of the Lee County Board of County Commissioners as to the issuance of the Bonds. Further, the Authority shall have obtained private activity bond allocation sufficient to allow the issuance of the Tax-Exempt Bonds from the State of Florida, Division of Bond Finance.

5. **BINDING EFFECT.** All covenants and agreements herein contained by or on behalf of the Authority and the Company shall bind and inure to the benefit of the respective successors and assigns of the Authority and the Company whether so expressed or not.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunder duly authorized as of the 16th day of October, 2002.

**HOUSING FINANCE AUTHORITY OF
LEE COUNTY, FLORIDA**

By: 
E. Walter Barletta, Chairman

**HAWK'S LANDING
ASSOCIATES, LTD.**

By: Cornstone Hawk's Landing, LLC
Its General Partner

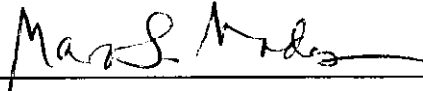
By: 
Its V.P.

EXHIBIT B

PROOF OF PUBLICATION

NEWS-PRESS

Published every morning - Daily and Sunday
Fort Myers, Florida

Affidavit of Publication

STATE OF FLORIDA
COUNTY OF LEE

Before the undersigned authority, personally appeared

Kieanna Henry

who on oath says that he/she is the

Asst. Legal Clerk of the News-Press, a daily newspaper,
published at Fort Myers, in Lee County, Florida; that the
attached copy of advertisement, being a

Legal Notice

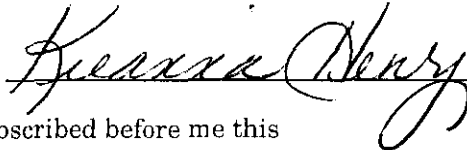
In the matter of Public Hearing on 9/30/02

in the _____ Court

was published in said newspaper in the issues of

September 13, 2002

Affiant further says that the said News-Press is a paper of general circulation daily in Lee, Charlotte, Collier, Glades and Hendry Counties and published at Fort Myers, in said Lee County, Florida and that said newspaper has heretofore been continuously published in said Lee County, Florida, each day, and has been entered as a second class mail matter at the post office in Fort Myers in said Lee County, Florida, for a period of one year next preceding the first publication of the attached copy of the advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.



Sworn to and subscribed before me this

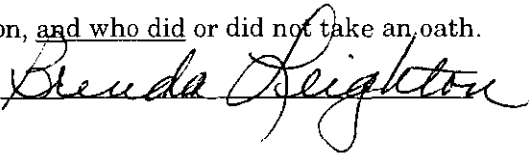
13th day of September 2002 by

Kieanna Henry

personally known to me or who has produced

_____ as identification, and who did or did not take an oath.

Notary Public



Print Name _____

My commission Expires:



Brenda Leighton
MY COMMISSION # CC808905 EXPIRES
February 14, 2003
BONDED THRU TROY FAIR INSURANCE, INC.

NOTICE OF PUBLIC HEARING CONCERNING THE HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA'S PROPOSED ISSUANCE OF ITS MULTI-FAMILY MORTGAGE REVENUE BONDS, SERIES 2003, IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$11,390,000.00 Public Notice is hereby given that the Housing Finance Authority of Lee County, Florida (the 'Authority') will conduct a public hearing on Monday, September 30, 2002, at 9:00 a.m. at the law offices of Phillip L. Burnett, P.A., 2449 First Street, Fort Myers, Florida, 33901, in accordance with the Tax Equity Fiscal Responsibility Act ('TEFRA') on the proposed issuance by the Authority of its Multi-Family Mortgage Revenue Bonds, Series 2003, in the aggregate principal amount of not to exceed \$11,390,000.00 for purposes of financing the Project referenced below. The proceeds of such bonds will be used to finance the acquisition, construction, and equipping of the following Project located at the following location in Lee County, Florida: **Name of Project: Hawk's Landing Associates, Ltd. Name of Project: Hawk's Landing Apartments Location: Summerlin Road, South of Boy Scout Drive, Fort Myers, Florida No. of Units: 204 Aggregate principal amount of tax exempt Bonds-\$10,250,000 Aggregate principal amount of taxable Bonds-\$1,140,000** If any member of the general public wishes to be heard at the hearing he or she may do so by appearing in person at the time and place set forth above or by submitting their views in writing delivered at least 24 hours prior to the date and time of the meeting set forth above to Housing Finance Authority of Lee County, Florida, c/o Phillip L. Burnett, Esq., 2449 First Street, Fort Myers, Florida 33901. The purpose of the public hearing is to afford members of the general public an opportunity to be heard with respect to the proposed issuance of the Bonds by the Authority. All interested parties are invited to attend and present their comments at the time and place set forth above. IF ANY PERSON WISHES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT THIS HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS AND FOR SUCH PURPOSE HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE. E. Walter Barletta, Chairman HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA Sep 13 No. 12462

**HOUSING FINANCE AUTHORITY OF LEE COUNTY, FLORIDA
MINUTES OF PUBLIC HEARING**

On Monday, September 30, 2002, at 9:00 a.m., at the offices of Philip L. Burnett, P.A., 2449 First Street, Fort Myers, Florida, 33901, the Housing Finance Authority of Lee County, Florida (the "Authority") conducted a Public Hearing in accordance with the Tax Equity Fiscal Responsibility Act ("TEFRA"). The purpose of the Public Hearing was to afford members of the general public an opportunity to be heard with respect to the following matter:

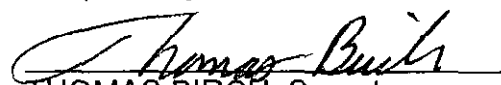
The issuance by the Authority of its Multi-Family Mortgage Revenue Bonds, Series 2003, in the aggregate principal amount of not to exceed \$11,390,000.00. The proceeds of such bonds will be used to finance the acquisition, construction, and equipping of the following project at the following location in Lee County, Florida:

Hawk's Landing Associates, Ltd.
Name of Project: Hawk's Landing Apartments
Location: Summerlin Road, South of Boy Scout Drive, Fort Myers, Florida
No. of Units: 204
Aggregate principal amount of tax exempt Bonds-\$10,250,000
Aggregate principal amount of taxable Bonds-\$1,140,000

The Bonds will not constitute a debt of the State of Florida, the Authority, or of any other participating Housing Finance Authorities or Counties, but will be payable solely from payments made from the revenues generated from the housing program.

No members of the public present were present. Accordingly, the Public Hearing was adjourned at 9:16 a.m.

Respectfully submitted,


THOMAS BIRCH, Secretary

Approved at the 10/16/02,
meeting of the Housing Finance
Authority of Lee County, Florida