

Attachment A

Village at Lincoln Park Project Narrative

Ability Housing is a nationally recognized industry leader and one of very few nonprofits capable of developing high quality affordable, community-inclusive rental housing in Florida. We are further recognized for our on-site support services designed to meet the needs of households who are low income, disabled, and/or homeless.

Ability Housing has developed and rehabilitated over a dozen communities with the largest to date being, Village on Mercy, a 166-unit new construction project in the City of Orlando completed in 2019. Growth focused and mission driven, Ability Housing is on track to develop, open, and operate community assets. We would like to continue this growth by serving the City of Gainesville's most vulnerable residents.

The proposed Village at Lincoln Park is an 88-unit family affordable housing community situated on 6.37 acres located at the intersection of SE 8th Avenue and SE 15th Street. The development will be designed as a 3-story garden style product consisting of 34 one-bedroom, 34 two-bedroom, and 20 three-bedroom units. This family-based project will have 90% of the units set aside at 60% AMI. The remaining 10% of the units are set aside as Extremely Low Income (ELI) units at 33% AMI.

Community amenities are in-line with market rate housing communities. The proposed project will have a state-of-the-art community center for residents with controlled access, common area Wi-Fi, resident community room equipped with computers and tablets, meeting room, fitness center, lending library, and community laundry. Exterior community features will have ample well-lit green spaces including a playground for children, outdoor pavilion, and summer kitchen. Apartment amenities include fully equipped kitchens, energy efficient appliances, large walk-in closets, along with washer and dryer.

Ability Housing provides a wide range of programs to engage residents and provide support services including case management in certain communities depending on local resources available. The project will specifically have programs focused on adult literacy, employment assistance, and financial management programs. Ability Housing opens community centers to local organizations hosting events or provide services that benefit the residents along with the community as a whole. Creating a development where residents can integrate with the

community is important to the vitality of the project and enriches the surrounding neighborhood.

Due to the location of Village at Lincoln Park being in the Gainesville Community Reinvestment Area's (GCRA) Community Enhancement & Housing Priority Areas the project has potential to be a Local Revitalization Initiative goal. Further review will need to be taken prior to FHFC application submission but gives the project a great probability of being selected for funding.

If selected as the Local Government Area of Opportunity for RFA 2021-2021, we view this opportunity as the beginning of a long-term partnership with the City of Gainesville to provide a community asset that will benefit its residents for years to come. To give you a vote of confidence about Ability Housing we encourage you to visit one of our existing communities or to reach out to our Local Government references we have provided because we have received the support of many municipalities and work closely with them on an ongoing basis. The need for permanent, safe and affordable housing is vast and growing. Some families regardless of how much they work and save are not in a position to afford market rate housing. Housing is a right not a privilege and providing the housing that the community needs is what Ability Housing does.

Attachment B

Site Control

Fully executed PSA is for 13.11 Acres consisting of two parcels (16107-150-000 & 16106-129-0000). Ability Housing is only submitting parcel 16107-150-000 which is the northern parcel and approximately 6.37 acres as part of the LGAO application for Village at Lincoln Park.

CONTRACT FOR PURCHASE AND SALE OF REAL PROPERTY

This Contract for Purchase and Sale of Real Property (the “Contract”) is made and entered into as of the 24th day of June, 2021 (the “Effective Date”) by and between PETER PREVITI, an individual, and HEATHER PREVITI, an individual, jointly and severally (collectively, the “Seller”), and ABILITY HOLDING, LLC, a Florida limited liability company, or assigns (the “Buyer”).

In consideration of the mutual agreements herein set forth, the parties hereto agree as follows:

1. Definitions. The following capitalized terms shall have the meanings given to them in this Section 1. Other capitalized terms when used in this Contract shall have the meanings given to such terms in the Definitions Addendum attached hereto as Exhibit “B”.

(a) Closing Date. The Closing Date shall be the date that is sixty (60) days after the expiration of the Investigation Period, as extended herein, or such other dates as may be provided by this Contract; however, at Buyer’s option, the Closing Date may be extended for three (3) consecutive periods of sixty (60) days (each a “Closing Extension Period”). Buyer shall, at least three (3) Business Days prior to the then scheduled Closing Date deliver to Seller and Escrow Agent a written notice to extend the Closing Date and deliver to Escrow Agent a deposit in the amount of Five Thousand Dollars (\$5,000) for each Closing Extension Period (individually and collectively, the “Closing Date Extension Deposit”). The Closing Date Extension Deposits shall be non-refundable to Buyer except in connection with a refund of the Deposit as set forth herein, and Buyer shall receive a credit at Closing for the amount of the Closing Date Extension Deposits and for the interest earned on any portion of the Closing Date Extension Deposits held in escrow pending Closing.

(b) Deposit. The aggregate sum of the Initial Deposit delivered to the Escrow Agent, together with all interest earned on said sum while it is held in escrow by Escrow Agent in accordance with this Contract, together with the Closing Date Extension Deposit, if any.

(c) Effective Date. The date first set forth above.

(d) Escrow Agent. Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., as title agent for the Title Company.

(e) Housing Credit Allocation. A final, non-appealable allocation of Low Income Housing Tax Credits (“Housing Credits”) funds from the Florida Housing Finance Corporation (“FHFC”), whether alone or in combination with local or state multifamily mortgage revenue bonds, in an amount deemed sufficient by Buyer in its sole discretion, when combined with other available sources, to enable Buyer to construct Buyer’s Contemplated Improvements.

(f) Initial Deposit. The sum of Five Thousand Dollars (\$5,000) together with all interest earned on said sum while it is held in escrow by the Escrow Agent in accordance with this Contract.

(g)Investigation Period. The period of time beginning on the Effective Date and ending on the later of (i) December 31, 2021, and (ii) the date that is five (5) Business Days following the date that Review Committee Recommendations are posted to the Florida Housing

website for the 2021 RFA for Housing Credit Financing for Affordable Housing Developments located in Medium and Small Counties for Tax Credit Financing; provided, however, that the Investigation Period shall end no later than March 31, 2022.

(h)Purchase Price. The sum of One Million Eight Hundred Thousand Dollars (\$1,800,000.00).

2.Purchase and Sale. Seller agrees to sell and convey the Property to Buyer and Buyer agrees to purchase and acquire the Property from Seller on the terms and conditions hereinafter set forth.

3.Purchase Price. The Purchase Price shall be paid as follows:

(a)Deposit. Within five (5) Business Days after the execution of this Contract by Buyer and Seller, Buyer shall deliver to Escrow Agent the Initial Deposit. Prior to Closing, Escrow Agent may keep the Deposit in an interest-bearing escrow account with a commercial or savings bank doing business in Florida.

(b)Cash to Close. The Cash to Close shall be paid to Seller in accordance with the closing procedure hereinafter set forth. Buyer shall receive a credit at Closing for the amount of the Deposit at Closing and for the interest earned on any portion of the Deposit held in escrow pending Closing.

4.Investigation Period.

(a)Suitability for Use. During the Investigation Period, Buyer shall determine, in its sole and absolute discretion, whether the Property is suitable for Buyer's Intended Use of the Property.

(b)Seller's Delivery of Property Records. Within five (5) Business Days of the Effective Date, Seller shall deliver to Buyer the Property Records. In addition to the foregoing, Seller agrees to cooperate with and provide Buyer with all documentation, records and other information required to expedite the due diligence, financing and any necessary government approvals sought by Buyer.

(c)Buyer's Inspection of the Property. During the Investigation Period, and if Buyer elects to go forward with the Closing, from the end of the Investigation Period until the Closing Date, Buyer shall have the right to enter upon the Land and to make all inspections and investigations of the condition of the Land which it may deem necessary, including, but not limited to, soil borings, percolation tests, engineering and topographical studies, environmental audits, wetland jurisdictional surveys, and investigations of the availability of utilities, all of which inspections and investigations shall be undertaken at Buyer's cost and expense. After completing its inspection of the Property, if Buyer elects to terminate this Contract in accordance

with this Section 4, Buyer shall restore any physical damage or alteration of the physical condition of the Land which results from any inspections or activities conducted by Buyer, unless arising out of or in connection with a pre-existing condition on the Land (except to the extent such condition is exacerbated by Buyer) or caused by the gross negligence or willful misconduct of Seller, its agents, contractors, managers, occupants or a tenant.

(d) Buyer's Right to Terminate. Buyer shall have the unilateral right to terminate this Contract at any time prior to the expiration of the Investigation Period, by delivery of written notice of termination to Seller and Escrow Agent prior to expiration of the Investigation Period. Upon a termination of this Contract pursuant to this Section 4, Escrow Agent shall return to Buyer the Deposit and thereafter this Contract shall be terminated and except as otherwise specifically set forth in this Contract, neither Buyer nor Seller shall have any further rights or obligations hereunder. If Buyer elects to proceed under this Contract and provided Seller shall not be in default hereunder, the Deposit shall become non-refundable to Buyer as of the end of the Investigation Period; provided, however, that the Deposit shall remain refundable in the event (i) the Conditions to Closing set forth in Section 10 items (a) through (d) are not satisfied as of the Closing Date; (ii) the Buyer is entitled to a refund of the Deposit pursuant to Sections 4(e), 5(e), 16 or 17, below; or (iii) Buyer terminates this Contract pursuant to its termination rights set forth in this Section 4(d).

(e) Buyer's Reinspection of the Property. Seller covenants, pursuant to the provisions of Section 8 below, that Seller shall maintain the Property in its current condition until the Closing Date. Buyer shall have the right to enter upon the Land at any time prior to the Closing to confirm that the Property has been maintained in the manner covenanted by Seller. In the event that the condition of the Property is materially different so as to inhibit the use of the Land for Buyer's Intended Use of the Property, at such time prior to Closing, than it was at the time of the performance of the Buyer's inspections as contemplated herein, Buyer shall have the right to terminate this Contract by written notice to Seller and to Escrow Agent, whereupon the Deposit shall be refunded to the Buyer, and neither Buyer nor Seller shall have further rights or obligations hereunder. Further, if the material difference in the Land is due to the affirmative act of Seller, or act of a third party affirmatively consented to by Seller, Seller shall reimburse Buyer for Buyer's Costs.

5. Title.

(a) Marketable Title to Land. Seller shall convey to Buyer marketable title to the Land, subject only to the Permitted Exceptions. Marketable title shall be determined according to the Title Standards adopted by authority of The Florida Bar and in accordance with law.

(b) Delivery of Title Evidence. Seller shall credit Buyer an amount of \$200.00 at closing for updating title or obtaining a commitment for title. Within sixty (60) days of the Effective Date, the Escrow Agent, at Buyer's expense, shall cause the Title Company to deliver to both Buyer and Seller an owner's commitment for extended coverage title insurance in an amount equal to the Purchase Price, and copies of all documents evidencing the exceptions contained therein.

(c)Buyer to Notify Seller of Objectionable Exceptions. Buyer shall have until the later of (i) the expiration of the Investigation Period, and (ii) fifteen (15) Business Days after Buyer's receipt of the Title Commitment and Survey to notify Seller as to any exception which is unacceptable to Buyer or Buyer's Attorney (the "Objectionable Exceptions"). If at any time after delivery of the Title Commitment and prior to Closing, Buyer receives notice of or otherwise discovers that title to the Land is subject to any additional exceptions which Buyer finds unacceptable, Buyer shall notify Seller in writing of such additional Objectionable Exceptions to which Buyer objects within ten (10) Business Days after Buyer receives notice of such Objectionable Exceptions. Buyer's failure to timely notify Seller as to any Objectionable Exception shall be deemed a waiver of such Objectionable Exception.

(d)Objectionable Exceptions.

(i)Mandatory Exceptions. After Buyer has notified Seller of any Objectionable Exceptions, if the Objectionable Exceptions are liquidated claims, outstanding mortgages, judgments, taxes (other than taxes which are subject to adjustment pursuant to this Contract), or are otherwise curable by the payment of money, without resort to litigation, then Seller shall be required to remove such Objectionable Exceptions (the "Mandatory Exceptions") from the Land by taking the actions necessary to have the Mandatory Exceptions deleted or insured over by the Title Company, or transferred to bond so that the Mandatory Exceptions are removed from the Title Commitment or cured at Closing by payment of money as necessary to cure Seller's title to the Property.

(ii)Optional Exceptions. With respect to Objectionable Exceptions which are not Mandatory Exceptions (the "Optional Exceptions"), Seller shall have the right, but not the obligation, to take the actions necessary to have the Optional Exceptions deleted or insured over by the Title Company, or transferred to bond so that the Optional Exceptions are removed from the Title Commitment. If Buyer has timely notified Seller of any Optional Exceptions, Seller shall provide Buyer with written notice of its election as to whether or not it will cure the Optional Exceptions within five (5) Business Days after Seller's receipt of Buyer's notice of any Optional Exceptions. If Seller notifies Buyer that it is unable or unwilling to cure the Optional Exceptions, Buyer shall have the option, to be exercised at any time prior to the Closing Date, to either (a) proceed to Closing and accept title in its existing condition without adjustment to the Purchase Price, or (b) terminate the Contract by sending written notice of termination to Seller and Escrow Agent. Notwithstanding the foregoing, Seller shall be required to cure any Objectionable Exceptions which are caused by Seller during the period of time commencing with the date of the Title Commitment through the Closing Date, regardless of the cost to cure such Objectionable Exceptions.

(e)Termination of Contract. Upon the termination of this Contract pursuant to Section 5(d), Escrow Agent and Seller shall return the Deposit to Buyer and thereafter, neither Buyer nor Seller shall have any further rights or obligations hereunder except as otherwise provided in this Contract.

6.Survey.

(a)Survey. During the Investigation Period, Buyer may, at its expense, obtain a survey (the "Survey") of the Land. Seller shall deliver to Buyer its current survey of the Land, if any, within five (5) Business Days following the Effective Date.

(b)Survey Defects. Buyer shall have until the later of (i) the expiration of the Investigation Period or (ii) fifteen (15) calendar days following Buyer's receipt of the Title Commitment and Survey to examine the Survey. If the Survey shows any encroachment on the Land, or that any improvement located on the Land encroaches on the land of others, or if the Survey shows any other defect which would affect either the marketability of title to the Property or Buyer's Intended Use of the Property, Buyer shall notify Seller of such encroachment or defect and such encroachment or defect shall be treated in the same manner as title defects are treated under this Contract. Buyer's failure to timely notify the Seller of Survey defects shall be deemed a waiver of such defects.

7.Seller's Representations.

(a)Representations and Warranties. Seller hereby represents and warrants to Buyer as of the Effective Date and as of the Closing Date as follows:

(i)Seller's Existence and Authority. Each Seller is not a minor and has full power and authority to own and sell the Property and to comply with the terms of this Contract. The execution and delivery of this Contract by Seller and the consummation by Seller of the transaction contemplated by this Contract are within Seller's capacity.

(ii)No Legal Bar. The execution by Seller of this Contract and the consummation by Seller of the transaction hereby contemplated does not, and on the Closing Date will not (a) result in a breach of or default under any indenture, agreement, instrument or obligation to which Seller is a party and which affects all or any portion of the Property, (b) result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property might be bound, or (c) constitute a violation of any Governmental Requirement.

(iii)No Default. Seller is not in default under any indenture, mortgage, deed of trust, loan agreement, or other agreement to which Seller is a party and which affects any portion of the Property.

(iv)Compliance With Governmental Requirements. Seller, and to the best of Seller's knowledge, the Property are in compliance with all Governmental Requirements.

(v)Title. Seller is the owner of marketable title to the Property, free and clear of all liens, encumbrances and restrictions of any kind, except the Permitted Exceptions and encumbrances of record which will be paid and removed at Closing. The Property is not part of or near Seller's Florida homestead property.

(vi)Litigation. There are no actions, suits, proceedings or investigations pending or threatened against Seller or the Property affecting any portion of the Property, including but not limited to condemnation actions.

(vii)No Hazardous Material. To the best of Seller's knowledge, the Property has not in the past been used and is not presently being used for the handling, storage, transportation or disposal of Hazardous Material.

(viii)No Special Assessments or Impact Fees. To the best of Seller's knowledge, no portion of the Property is or will be affected by any special assessments or impact fees imposed by any Governmental Authority.

(ix)Parties in Possession. There are no parties other than Seller in possession or with a right to possession of any portion of the Land.

(x)Building Permits. To the best of Seller's knowledge, there is no fact, condition or impediment that would prevent Buyer from obtaining all necessary building permits from the Governmental Authorities having jurisdiction thereof for the construction of Buyer's Contemplated Improvements upon the Land.

(xi)Commitments to Governmental Authorities. No commitments relating to the Property have been made by Seller to any Governmental Authority, utility company, school board, church or other religious body or any homeowner or homeowners association or any other organization, group or individual which would impose an obligation upon Buyer or its successors or assigns to make any contribution or dedication of money or land or to construct, install or maintain any improvements of a public or private nature on or off the Land; and to the best of Seller's knowledge, no Governmental Authority has imposed any requirement that any developer of the Land pay directly or indirectly any special fees or contributions or incur any expenses or obligations in connection with the development of the Land.

(xii)Adverse Information. To the best of Seller's knowledge, there is no (a) Governmental Requirement, (b) change contemplated in any Governmental Requirement, (c) judicial or administrative action, (d) action by adjacent landowners, (e) natural or artificial conditions upon the Land, or (f) other fact or condition of any kind or character whatsoever which would prevent, limit, impede, render more costly or adversely affect Buyer's Intended Use of the Property.

(b)Survival of Representations. All of the representations of the Seller set forth in this Contract shall be true upon the execution of this Contract, shall be deemed to be repeated at and as of the Closing Date, and shall be true as of the Closing Date. All of the representations, warranties and agreements of the Seller set forth in this Contract shall survive the Closing.

8.Seller's Affirmative Covenants.

(a)Cooperation with Governmental Authority. Seller agrees, at no cost to Seller, to cooperate fully with Buyer with respect to Buyer's efforts to obtain approval of Buyer's financing, approval of any platting, zoning, permits, site planning, and other licenses and approvals required by Buyer in connection with Buyer's Intended Use of the Property, and upon receipt of written request therefor Seller agrees to promptly execute, acknowledge, and deliver such applications, dedications, grants, plats, documents, instruments, and consents as may be reasonably required to obtain approval.

(b)Acts Affecting Property. From and after the Effective Date, Seller will refrain from (a) performing any grading, excavation, construction or making any other change or improvement upon or about the Property; (b) creating or incurring, or suffering to exist, any mortgage, lien, pledge, or other encumbrances in any way affecting the Property other than the Permitted Exceptions; and (c) committing any waste or nuisance upon the Property.

(c)Maintenance of Property. From the Effective Date until the Closing, the Property will be kept in its current condition. Seller will observe all Governmental Requirements affecting the Property and its use, until the Closing Date.

(d)Governmental Agency Notices. Seller will advise Buyer promptly of Seller's receipt of any written notice of any change in any applicable Governmental Requirement, or from any governmental agency related to the use of the Property.

(e)Further Assurances. In addition to the obligations required to be performed hereunder by Seller at the Closing, Seller agrees to perform such other acts, and to execute, acknowledge, and deliver subsequent to the Closing such other instruments, documents, and other materials as Buyer may reasonably request in order to effectuate the consummation of the transactions contemplated herein and to vest title to the Property in Buyer.

9.Buyer's Authority. The execution and delivery of this Contract by Buyer and the consummation by Buyer of the transaction hereby contemplated are within Buyer's capacity and all requisite action has been taken to make this Contract valid and binding on Buyer in accordance with its terms.

10.Conditions to Buyer's Obligation to Close. Buyer shall not be obligated to close under this Contract unless and until each of the following conditions are either fulfilled or waived, in writing, by Buyer ("Conditions to Closing"):

(a)Compliance with Covenants. Seller shall have performed all covenants, agreements and obligations and complied with all conditions required by this Contract to be performed or complied with by Seller prior to the Closing Date.

(b)Delivery of Documents. Seller shall deliver to Buyer all instruments and documents to be delivered to Buyer at the Closing pursuant to this Contract.

(c)Representations and Warranties. All of Seller's representations and warranties shall be true and correct.

(d)Status of Title. The status of title to the Land shall be as required by this Contract.

11.Closing. The Closing shall take place at the office of the Closing Agent on the Closing Date. Seller may deliver the Seller's Documents to the Closing Agent prior to Closing, with escrow instructions for the release of the Seller's Documents and the disbursement of the Seller's proceeds.

12.Seller's Closing Documents.

(a)Documents. At Closing, Seller shall deliver the following documents (“Seller’s Closing Documents”) to Closing Agent:

(i)Deed. The Deed, which shall be duly executed and acknowledged by Seller so as to convey to Buyer good and marketable fee simple title to the Land free and clear of all liens, encumbrances and other conditions of title other than the Permitted Exceptions.

(ii)Seller’s No Lien, Gap and FIRPTA Affidavit. An affidavit from Seller attesting that (a) no individual, entity or Governmental Authority has any claim against the Property under the applicable contractor’s lien law, (b) except for Seller, no individual, entity or Governmental Authority is either in possession of the Property or has a possessory interest or claim in the Property, and (c) no improvements to the Property have been made for which payment has not been made. The Seller’s affidavit shall include language sufficient to enable the Title Company to insure the “gap”, i.e., delete as an exception to the Title Commitment any matters appearing between the effective date of the Title Commitment and the effective date of the Title Policy. The affidavit shall also include the certification of non-foreign status required under Section 1445 of the Internal Revenue Code to avoid the withholding of income tax by the Buyer.

(iii)Form 1099-B. Such federal income tax reports respecting the sale of the Property as are required by the Internal Revenue Code of 1986, as amended.

(iv)Intentionally Deleted.

(v)General Assignment. A general assignment by the Seller to the Buyer of all service contracts, licenses, permits, etc., if any.

(vi)Assignment of Developer Rights. An assignment of any and all rights of the Seller as developer of the Land, including, but not limited to, rights reserved under any Homeowners’ Association documents, rights to water and sewer allocation, rights to storm water drainage, rights to impact fee credits and rights to allocate to the property development units.

(b)Pre-Closing Delivery. Copies of Seller’s Closing Documents shall be delivered to Closing Agent for review not less than three (3) days prior to the Closing Date.

13.Closing Procedure. The Closing shall proceed in the following manner:

(a)Transfer of Funds. Buyer shall pay the Cash to Close, and Escrow Agent shall deliver the Deposit being held in escrow, to the Closing Agent by wire transfer to a depository designated by Closing Agent.

(b)Closing Agent. Escrow Agent shall prepare a closing statement (“Closing Statement”) setting forth the Purchase Price, Deposit and all credits, adjustments and prorations between Buyer and Seller, and the net Cash to Close due Seller. The Closing Statement shall be executed by Buyer and Seller.

(c)Disbursement of Funds and Documents. Once the Title Company has “insured the gap,” i.e., endorsed the Title Commitment to delete the exception for matters appearing between the effective date of the Title Commitment and the effective date of the Title Policy, then Closing Agent shall disburse the Deposit, net Cash to Close due Seller, and Buyer’s Closing Documents to Seller, and the Seller’s Closing Documents to Buyer; provided, however, that Closing Agent shall record the Deed in the Public Records of the county where the Land is located.

14.Prorations and Closing Costs.

(a)Prorations. The following items shall be prorated and adjusted between Seller and Buyer as of the midnight preceding the Closing, except as otherwise specified:

(i)Taxes. Real estate taxes shall be prorated on the following basis:

(1)If a tax bill for the year of Closing is available (after November 1), then proration shall be based upon the current bill.

(2)If the tax bill for the year of Closing is not available (between January 1 and November 1), then proration shall be based upon the prior year’s tax bill based on the fully discounted amount for early payment.

(ii)Pending and Certified Liens. Certified municipal liens and pending municipal liens for which work has been substantially completed shall be paid by the Seller and other pending liens shall be assumed by the Buyer.

(iii)Other Items. All other income and expenses of the Property shall be prorated or adjusted in accordance with this Contract.

(b)Reproration of Taxes. At the Closing, the above-referenced items shall be prorated and adjusted as indicated. If subsequent to the Closing, taxes for the year of Closing are determined to be higher or lower than as prorated, a reproration and adjustment will be made at the request of Buyer or Seller upon presentation of actual tax bills, and any payment required as a result of the reproration shall be made within ten (10) days following demand therefor. All other prorations and adjustments shall be final. This provision shall survive the Closing.

(c)Seller’s Closing Costs. Seller shall be responsible for the payment of the following items prior to or at the time of Closing: (i) Documentary stamps on Deed, (ii) certified and pending municipal special assessment liens for which the work has been substantially completed, (iii) all amounts due to the Broker (as defined below), (iv) its own legal fees, and (v) all costs to cure or remove any items necessary for Seller to deliver title to the Property as required hereunder, including but not limited to all Mandatory Exceptions.

(d)Buyer’s Closing Costs. Buyer shall pay for the following items prior to or at the time of Closing: (i) pending special assessment liens for which the work has not been substantially completed, (ii) Survey, if any, (iii) Title Commitment and related searches, (iv) the Title Policy

premium and related endorsements, (v) all costs for Buyer's financing, (vi) any Closing Agent or Escrow Agent fees, and (vii) its own legal fees.

15.Possession. Buyer shall be granted full possession of the Property at Closing.

16.Condemnation; Casualty.

(a) Condemnation. In the event of the institution of any proceedings by any Governmental Authority which shall relate to the proposed taking of any portion of the Property by eminent domain prior to Closing, or in the event of the taking of any portion of the Property by eminent domain prior to Closing, Seller shall promptly notify Buyer and Buyer shall thereafter have the right and option to terminate this Contract by giving Seller written notice of Buyer's election to terminate within fifteen (15) days after receipt by Buyer of the notice from Seller. Seller hereby agrees to furnish Buyer with written notice of a proposed condemnation within two (2) Business Days after Seller's receipt of such notification. Should Buyer terminate this Contract, the Deposit shall immediately be returned to Buyer and thereafter the parties hereto shall be released from their respective obligations and liabilities hereunder. Should Buyer elect not to terminate, the parties hereto shall proceed to Closing and Seller shall assign all of its right, title and interest in all awards in connection with such taking to Buyer.

(b) Casualty. In the event of casualty at the Property ("Casualty") Seller shall not be obligated to repair the damage, unless the damaged condition creates an added safety risk, increases Buyer's demolition costs, or the failure to mitigate such damages is in violation of any applicable law, regulation or agreement to which Seller is a party and provided that the same does not create any open permit, lien or open code violation at Closing.

17.Misrepresentations; Non-Satisfaction of Conditions; Default.

(a)Buyer's Pre-Closing Remedies for Seller's Misrepresentations. In the event that Buyer becomes aware prior to Closing that any of Seller's warranties or representations set forth in this Contract are not true on the Effective Date or at any time thereafter but prior to Closing, and in the event that Seller is unable to render any such representation or warranty true and correct as of the Closing Date, Buyer may either: (a) terminate this Contract by written notice thereof to Seller and Escrow Agent, in which event the Deposit shall be returned to Buyer, and the parties will be relieved of all further obligations hereunder; provided, however, if the fact represented or warranted is not as represented or warranted due to a willful misrepresentation, the affirmative act of Seller, or due to an act of a third party affirmatively consented to by Seller, Seller shall reimburse Buyer for Buyer's Costs, or (b) elect to close under this Contract notwithstanding the failure of such representation; provided, however, that if the fact represented or warranted is not as represented or warranted due to a willful misrepresentation, the affirmative act of Seller, or due to an act of a third party affirmatively consented to by Seller, then the Buyer may recover from the Seller the damages sustained by the Buyer.

(b)Buyer's Post-Closing Remedies for Seller's Misrepresentations. From and after the Closing, Seller agrees to indemnify Buyer and hold Buyer harmless and defend Buyer from and against any and all loss, cost, claims, liabilities, damages and expenses, including, without

limitation, Attorneys' Fees, arising as the result of a breach of any of the representations or warranties of Seller due to a willful misrepresentation, the affirmative act of Seller, or due to an act of a third party affirmatively consented to by Seller.

(c)Buyer's Remedies for Seller's Failure to Satisfy Conditions to Closing. In addition to any other remedy that Buyer may have for Seller's breach of this Contract, if the conditions to Buyer's obligations have not been satisfied on or before the Closing Date, Buyer shall have the option of continuing the Closing Date for a period not to exceed one hundred eighty (180) days until such time as the conditions have been satisfied; provided, however, that if such conditions are satisfied prior to expiration of said one hundred eighty (180) day period and Buyer elects to proceed under this Contract, the Closing Date shall be on or prior to the date which is twenty (20) days following the satisfaction of said conditions. This option is a continuing option and not an election of remedies; therefore, at any time after the originally scheduled Closing Date if the conditions to Buyer's obligations to close have not been satisfied, Buyer can elect to terminate this extension of the Closing Date and pursue its remedies against Seller as elsewhere provided in this Contract.

(d)Buyer's Remedies for Seller's Default. In the event that this transaction fails to close due to a refusal to close or default on the part of Seller, Buyer as its sole remedy shall have the right to elect any one of the following options:

(i) Buyer may terminate the Contract, receive a return of the Deposit and payment by Seller of Buyer's Costs, and thereafter neither Buyer nor Seller shall have any further obligations under this Contract; or

(ii) Buyer may seek specific performance of the Contract provided however if specific performance is not available due to the act or failure to act of Seller, Buyer may pursue any remedy at law.

(e)Seller's Remedies for Buyer's Default. In the event that this transaction fails to close due to a refusal or default on the part of Buyer, as Seller's sole and exclusive remedy, the Deposit shall be paid by the Escrow Agent to Seller as agreed-upon liquidated damages and thereafter, Buyer shall return the Property Records to Seller, and except as otherwise specifically set forth in this Contract, neither Buyer nor Seller shall have any further obligation under this Contract. Buyer and Seller acknowledge that if Buyer defaults, Seller will suffer damages in an amount which cannot be ascertained with reasonable certainty on the Effective Date and that the portion of the Deposit to be paid to Seller most closely approximates the amount necessary to compensate Seller in the event of such default. Buyer and Seller agree that this is a bona fide liquidated damage provision and not a penalty or forfeiture provision.

(f)Notice and Opportunity to Cure Defaults. Prior to either Buyer or Seller declaring a default under this Contract, the non-defaulting party shall send written notice of the default to the defaulting party and to the Escrow Agent. The defaulting party shall have a period of ten (10) days after receipt of the notice of default to cure such default. Neither Buyer nor Seller shall be entitled to any of the remedies set forth in this Section 17 prior to the sending of a notice of default to the defaulting party and the allowance of an opportunity to cure such default within ten

(10) days after the receipt of the notice by the defaulting party. Notwithstanding the foregoing, neither Buyer nor Seller shall be entitled to any cure period for such party's failure to timely close on the Closing Date.

18.Brokerage Indemnification. Each party represents to the other that no broker has been involved in this transaction other than Brad Coe of Colliers International (the "Broker"). Seller shall pay to the Broker a commission fee pursuant to a separate written agreement with the Broker. It is agreed that if any other claims for brokerage commissions or fees are ever made against Seller or Buyer in connection with this transaction, all such other claims shall be handled and paid by the party whose actions or alleged commitments form the basis of such claim. It is further agreed that each party agrees to indemnify and hold harmless the other from and against any and all such claims or demands with respect to any brokerage fees or agents' commissions or other compensation asserted by any person, firm, or corporation in connection with this Contract or the transactions contemplated hereby.

19.Notices. Any notice, request, demand, instruction or other communication to be given to either party hereunder, except where required to be delivered at the Closing, shall be in writing and shall either be (a) hand-delivered, (b) sent by Federal Express or a comparable overnight mail service, (c) mailed by U.S. registered or certified mail, return receipt requested, postage prepaid, or (d) sent by electronic mail, to Buyer, Seller, Buyer's Attorney, Seller's Attorney, and Escrow Agent, at their respective addresses set forth in the Definitions Addendum of this Contract. Notice shall be deemed to have been given upon receipt or refusal of delivery of said notice. The addressees and addresses for the purpose of this paragraph may be changed by giving notice. Unless and until such written notice is received, the last addressee and address stated herein shall be deemed to continue in effect for all purposes hereunder.

20.Escrow Agent. The escrow of the Deposit shall be subject to the following provisions:

(a)Duties and Authorization. The payment of the Deposit to the Escrow Agent is for the accommodation of the parties. The duties of the Escrow Agent shall be determined solely by the express provisions of this Contract. The parties authorize the Escrow Agent, without creating any obligation on the part of the Escrow Agent, in the event this Contract or the Deposit becomes involved in litigation, to deposit the Deposit with the clerk of the court in which the litigation is pending and thereupon the Escrow Agent shall be fully relieved and discharged of any further responsibility under this Contract. The undersigned also authorize the Escrow Agent, if it is threatened with litigation, to interplead all interested parties in any court of competent jurisdiction and to deposit the Deposit with the clerk of the court and thereupon the Escrow Agent shall be fully relieved and discharged of any further responsibility hereunder.

(b)Liability. The Escrow Agent shall not be liable for any mistake of fact or error of judgment or any acts or omissions of any kind unless caused by its willful misconduct or gross negligence. The Escrow Agent shall be entitled to rely on any instrument or signature believed by it to be genuine and may assume that any person purporting to give any writing, notice or instruction in connection with this Contract is duly authorized to do so by the party on whose behalf such writing, notice, or instruction is given.

(c)Indemnification. The parties will, and hereby agree to hold the Escrow Agent harmless against any loss, liability, or expense incurred without gross negligence or willful misconduct on the part of the Escrow Agent arising out of or in connection with the acceptance of, or the performance of its duties under, this Contract, as well as the costs and expenses of defending against any claim or liability arising under this Contract. This provision shall survive the Closing or termination of this Contract.

(d)Buyer's Attorney. Seller acknowledges that the Escrow Agent is also Buyer's Attorney in this transaction. Seller hereby consents to the Escrow Agent's representation of Buyer in any litigation which may arise out of this Contract.

21.Assignment. This Contract may be freely assigned by Buyer without Seller's consent and thereafter Buyer shall be relieved of all obligations hereunder provided that Buyer's assignee shall be obligated to close under this Contract in the same manner as Buyer. In the event of an assignment of the Contract by Buyer, a duly executed Assignment of this Contract and Buyer's rights to the Deposit shall be delivered to Seller and Escrow Agent on or before the Closing Date.

22.Miscellaneous.

(a)Counterparts. This Contract may be executed in any number of counterparts, any one and all of which shall constitute the contract of the parties and each of which shall be deemed an original.

(b)Section and Paragraph Headings. The section and paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Contract.

(c)Amendment. No modification or amendment of this Contract shall be of any force or effect unless in writing executed by both Seller and Buyer.

(d)Attorneys' Fees. If any party obtains a judgment against any other party by reason of breach of this Contract, Attorneys' Fees and costs shall be included in such judgment.

(e)Governing Law. This Contract shall be interpreted in accordance with the internal laws of the State of Florida, both substantive and remedial.

(f)Entire Contract. This Contract sets forth the entire agreement between Seller and Buyer relating to the Property and all subject matter herein and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties.

(g)Time of the Essence. Time is of the essence in the performance of all obligations by Buyer and Seller under this Contract.

(h)Computation of Time. Any reference herein to time periods of less than six (6) days shall exclude Saturdays, Sundays and legal holidays in the computation thereof. Any time

period, date or day provided for in this Contract which ends on or is a Saturday, Sunday or legal holiday shall extend to 5:00 p.m. on the next full Business Day.

(i)Successors and Assigns. This Contract shall inure to the benefit of and be binding upon the permitted successors and assigns of the parties hereto.

(j)Survival. All representations and warranties of Seller set forth in this Contract shall survive the Closing.

(k)Construction of Contract. All of the parties to this Contract have participated freely in the negotiation and preparation hereof; accordingly, this Contract shall not be more strictly construed against any one of the parties hereto.

(l)Gender. As used in this Contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular as the context may require.

(m)Joint and Several Liability. The liability of Seller under this Contract, and any documents executed in connection herewith, shall be joint and several.

23.Notice Regarding Radon Gas. 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 Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

24.Venue. Buyer and Seller agree that any suit, action, or other legal proceeding arising out of or relating to this Contract may be brought in a court of record of the State of Florida in Alachua County.

25. Force Majeure. In the event that Seller or Buyer's performance of their respective obligations pursuant to this Agreement is prevented or delayed by consequence of an act of God, act of war, act of terrorism, or act of the public enemy, or national emergency, or a governmental restriction upon the use or availability of labor or materials, or civil insurrection, riot, racial or civil rights disorders or demonstration, strike, embargo, epidemic, pandemic, flood, tidal wave, fire, explosion, bomb detonation, nuclear fallout, windstorm, hurricane, sinkhole, earthquake, or other casualty, disaster, or catastrophe, or judgment, or a restraining order or injunction of any court, neither Seller or Buyer shall be liable for such nonperformance, even if the event was contemplated or ongoing on the Effective Date, and the time of performance shall be extended for the number of days that the force majeure event prevents or interrupts Seller or Buyer's performance of their respective obligations pursuant to this Agreement as reasonably determined by the parties. This provision shall not apply to force majeure events caused by Seller or Buyer or any party under their control, as applicable.

26.Coronavirus. Notwithstanding anything to the contrary contained in this Contract, if with respect to any action to be performed or undertaken by Buyer hereunder, a delay is caused as a result of the Coronavirus epidemic (or pandemic) disease ("COVID-19") or similar community-

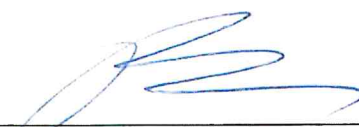
wide epidemic, including the timely release by financial or lending institutions of funds for Closing hereunder, then the applicable time periods in this Contract shall be extended as reasonably necessary to allow for such delay with both Seller and Buyer acting in good faith and reasonable cooperation hereunder.

27. Marketing Period. Seller shall have the right to market the Property to non-Affordable Housing/Tax Credit developers/buyers (an “Approved Buyer”) until the date of the release and publication of Florida Housing Finance Corporation’s Requests for Applications for the 2021 RFA for Housing Credit Financing for Affordable Housing Developments located in Medium and Small Counties for Tax Credit Financing (the “RFA”), which date shall be posted on the Florida Housing website (the “Marketing Period”). If during the Marketing Period, Seller receives a bona-fide, third party offer from an Approved Buyer (the “Offer”), Seller shall send the Offer to Buyer and Buyer shall have ten (10) Business Days from receipt of such Offer to elect in its sole discretion to either meet the terms of the Offer, in which case Seller and Buyer shall enter into an amendment to the Contract reflecting the same, or terminate the Contract with a full release of all currently held Deposits back to Buyer. If Seller receives no Offer during the Marketing Period, this Contract will remain in full force and effect.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Contract as of the date first set forth above.

SELLER:




PETER PREVITI, an individual, and



HEATHER PREVITI, an individual

BUYER:

ABILITY HOLDING, LLC, a Florida limited liability company


By: _____
Name: Shannon Nazworth
Title: President & CEO

[Signatures Continued on Following Page]

ESCROW AGENT: (as to only those Sections of the Contract pertaining to the Escrow Agent's rights and responsibilities):

STEARNS WEAVER MILLER WEISSER
KUNDEFF & SITTERSON, P.A.


By: 
Name: RICHARD DEUTZ JR
Title: SHAREHOLDER

EXHIBIT "A"

LEGAL DESCRIPTION

A TRACT OF LAND SITUATED IN THE NORTHWEST QUARTER OF SECTION TEN (1), TOWNSHIP TEN (10) SOUTH, RANGE TWENTY (20) EAST, ALACHUA COUNTY, FLORIDA, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHWEST CORNER OF SECTION TEN (10), TOWNSHIP TEN (10) SOUTH, RANGE TWENTY (20) EAST, AND RUN SOUTH 89°51'23" EAST ALONG THE NORTH LINE OF SAID SECTION TEN (10), 30.00 FEET; THENCE RUN SOUTH 00°15'07" WEST, 50.00 FEET TO THE INTERSECTION OF THE EASTERLY RIGHT OF WAY LINE OF SE 15TH STREET AND THE SOUTHERLY RIGHT OF WAY LINE OF SE 8TH AVENUE AND THE POINT OF BEGINNING; THENCE RUN SOUTH 89°51'23" EAST, ALONG THE SOUTHERLY RIGHT OF WAY LINE OF SAID SE 8TH AVENUE, 400.00 FEET; THENCE RUN SOUTH 00°15'07" WEST, 730.80 FEET; THENCE RUN NORTH 89°45'53" WEST, 400.00 FEET TO THE EASTERLY RIGHT OF WAY LINE OF SAID SE 15TH STREET; THENCE RUN NORTH 00°15'07" EAST, ALONG THE EASTERLY RIGHT OF WAY LINE OF SAID SE 15TH STREET, 730.05 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT THE WEST 20 FEET THEREOF AS MORE PARTICULARLY DESCRIBED BY WARRANTY DEED RECORDED IN OFFICIAL RECORD BOOK 117, PAGE 477 OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA.

Parcel ID: 16107-150-000

COMMENCE AT THE NORTHWEST CORNER OF SECTION 10, TOWNSHIP 10 SOUTH, RANGE 20 EAST; THENCE RUN SOUTH 0 DEG 28 MIN 40 SEC WEST ALONG THE WEST LINE OF SAID SECTION 780 FEET TO THE POINT OF BEGINNING; THENCE RUN SOUTH 89 DEG 32 MIN 20 SEC EAST 990 FEET; THENCE RUN SOUTH 0 DEG 28 MIN 40 SEC WEST 660 FEET; THENCE RUN NORTH 89 DEG 32 MIN 20 SEC WEST 990 FEET; THENCE RUN NORTH 0 DEG 28 MIN 40 SEC EAST 660 FEET TO THE POINT OF BEGINNING. ALL BEING AND LYING IN THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 10 SOUTH, RANGE 20 EAST, ALACHUA COUNTY, FLORIDA.

LESS AND EXCEPT RIGHT OF WAY OF SOUTHEAST 15H STREET; ALSO LESS AND EXCEPT:

COMMENCE AT THE NORTHWEST CORNER OF SECTION 10, TOWNSHIP 10 SOUTH RANGE 20 EAST AND RUN SOUTH 00 DEG 28 MIN 40 SEC WEST, ALONG THE WEST LINE OF SAID SECTION 10, 780.00 FEET; THENCE RUN SOUTH 89 DEG 32 MIN 20 SEC EAST 30.00 FEET TO THE EAST RIGHT OF WAY LINE OF S.E. 15 STREET; THENCE RUN SOUTH 00 DEG 28 MIN 40 SEC WEST, ALONG THE EAST RIGHT OF WAY LINE OF SAID S.E. 15TH STREET, 330.00 FEET TO THE POINT OF BEGINNING; THENCE RUN SOUTH 89 DEG 32 MIN 20 SEC EAST, 889.97 FEET; THENCE RUN NORTH 00 DEG 28 MIN 40 SEC EAST, 330.00 FEET; THENCE RUN SOUTH 89 DEG 32 MIN 20 SEC EAST, 70.03 FEET; THENCE RUN SOUTH 00 DEG 28 MIN 40 SEC WEST, 660.00 FEET TO A POINT ON THE NORTH LINE OF "LINCOLN ESTATES" A SUBDIVISION AS RECORDED IN PLAT BOOK "F", PAGE 19 OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA; THENCE RUN NORTH 89 DEG 32 MIN 20 SEC WEST, ALONG THE NORTH LINE OF SAID "LINCOLN ESTATES," 943.55 FEET TO THE EAST RIGHT OF WAY LINE OF SAID S.E. 15TH STREET; THENCE RUN NORTHERLY ALONG THE EAST RIGHT OF WAY LINE OF SAID S.E. 15TH STREET WITH THE FOLLOWING COURSES AND DISTANCES; NORTH 00 DEG 09 MIN 38 SEC WEST, 101.04 FEET; NORTH 20 DEG 05 MIN 37 SEC WEST, 43.60 FEET; NORTH 00 DEG 28 MIN 40 SEC EAST, 188.15 FEET TO THE POINT OF BEGINNING.

Parcel Identification Number: 16106-129-000

EXHIBIT "B"

DEFINITIONS ADDENDUM

1.Attorneys' Fees. All reasonable fees and expenses charged by an attorney for its services and the services of any paralegals, legal assistants or law clerks, including (but not limited to) fees and expenses charged for representation at the trial level and in all appeals.

2.Business Day. Any weekday excluding Saturdays and Sundays and federal holidays.

3.Buyer's Address. Ability Holding, LLC, 3740 Beach Boulevard, Suite 304, Jacksonville, Florida 32207; Attn: Andy Fink; Telephone (904) 359-9650; E-mail: afink@abilityhousing.org.

4.Buyer's Attorney. Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Attention: Richard E. Deutch, Jr., Esq. Buyer's Attorney's mailing address is 150 West Flagler Street, Suite 2200, Miami, Florida 33130; Telephone (305) 789-4108; E-mail: rdeutch@stearnsweaver.com.

5.Buyer's Contemplated Improvements. Multifamily apartment complex of affordable/workforce housing, and all parking, landscaping and amenities.

6.Buyer's Costs. Buyer's documented out-of-pocket costs with respect to the purchase and development of the Land, including but not limited to charges for surveys, lien searches, title examinations, soil tests, feasibility studies, appraisals, environmental audits, engineering and architectural work, incurred in the negotiation and preparation of this Contract but excluding Buyer's Attorneys' Fees.

7.Buyer's Intended Use of the Property. Multifamily apartment complex intended primarily for affordable/workforce housing including the construction of Buyer's Contemplated Improvements.

8.Cash to Close. The Purchase Price plus all of Buyer's closing costs specified herein, subject to the adjustments herein set forth, less the Deposit.

9.Closing. The delivery of the Deed to Buyer concurrently with the delivery of the Purchase Price to Seller.

10.Closing Agent. The Title Company shall be the Closing Agent.

11.Deed. The Special Warranty Deed which conveys the Land from Seller to Buyer.

12.Governmental Authority. Any federal, state, county, municipal or other governmental department, entity, authority, commission, board, bureau, court, agency or any instrumentality of any of them.

13.Governmental Requirement. Any law, enactment, statute, code, ordinance, rule, regulation, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization,

agreement, or other direction or requirement of any Governmental Authority now existing or hereafter enacted, adopted, promulgated, entered, or issued applicable to the Seller or the Property.

14.Hazardous Material. Any flammable or explosive materials, petroleum or petroleum products, oil, crude oil, natural gas or synthetic gas usable for fuel, radioactive materials, hazardous wastes or substances or toxic wastes or substances, including, without limitation, any substances now or hereafter defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “toxic materials” or “toxic substances” under any applicable Governmental Requirements.

15.Land. That certain real property located at SE 8th Avenue & SE 15th Street, Gainesville, FL 32641 (RE# 16107-150-000 & 16106-129-000) more particularly described in Exhibit “A” attached to the Contract and made a part thereof, together with all property rights, easements, privileges and appurtenances thereto and all leases, rents, and profits derived therefrom. The Land is vacant and has frontage to SE 8th Avenue and SE 15th Street.

16.Permitted Exceptions. Such exceptions to title as are set forth in Schedule B - Section 2 of the Title Commitment and are acceptable to Buyer, in its sole and absolute discretion.

17.Prior Policy. A copy of Seller’s current Owner’s Policy of Title Insurance.

18.Property. The Property Records and Land.

19.Property Records. Copies of all the following documents relating to the Property, which are in Seller’s possession or can be readily obtained by Seller: Any and all leases, licenses, agreements, environmental reports, geotechnical reports, wetland jurisdictional reports/surveys, certificates of use or occupancy, permits, notices, authorizations and approvals issued by Governmental Authorities in accordance with Governmental Requirements, current contracts relating to the operation of the Property, appraisals, tax bill for the year 2020, tax assessment notices, title insurance policies, surveys, site plans, drainage plans and specifications, plats, soil tests, reports, engineering reports and similar technical data and information, environmental reports and audits, any and all wetland jurisdictional work related to the Property, geotechnical reports, plans and specifications for proposed improvements to the Property, and material correspondence (which shall mean correspondence, other than attorney/client privileged correspondence, which discloses claims, allegations or adverse information that the Property violates any Governmental Requirements, that there is hazardous or toxic waste on or about the Property, or that there are hazardous conditions in or on the Property).

20.Seller’s Address. Peter Previti and Heather Previti, 5825 Sunset Drive, Ste 210, Miami, FL 33143; Telephone: 305-662-9504; E-mail: peter@pnlawpa.com.

21.Title Commitment. An ALTA title insurance commitment (Florida Current Edition) from the Title Company, agreeing to issue the Title Policy to Buyer upon satisfaction of the Buyer’s obligations pursuant to this Contract.

22.Title Company. Fidelity National Title Insurance Company or such other nationally recognized title insurance company licensed to write title insurance in the State of Florida approved by Buyer.

23.Title Policy. An ALTA Owner's Title Insurance Policy (Florida Current Edition) with Florida modifications in the amount of the Purchase Price, insuring Buyer's title to the Land, subject only to the Permitted Exceptions.

Attachment C



Parcel Summary

Parcel ID 16107-150-000
Prop ID 92417
Location Address
Neighborhood/Area COMMERCIAL (315400.50)
Subdivision
Brief Legal Description* COM NW COR RUN E 30 FT S 50 FT TO INT OF E R/W SE 15TH ST & S R/W OF SE 8TH AVE THE POB E 400 FT S 730.80 FT W 400 FT TO E R/W SE 15TH ST N 730.05 TO POB (LESS THE W 20 FT PER OR 118/422) OR 4102/2155
(Note: *The Description above is not to be used on legal documents.)
Property Use Code VACANT COMM (01000)
Sec/Twp/Rng 10-10-20
Tax District GAINESVILLE (District 3600)
Millage Rate 21.9635
Acreage 6.370
Homestead N

[View Map](#)

Owner Information

Valuation

	2020 Certified Values	2019 Certified Values	2018 Certified Values	2017 Certified Values	2016 Certified Values
Improvement Value	\$0	\$0	\$0	\$0	\$0
Land Value	\$50,960	\$50,960	\$51,000	\$51,000	\$51,000
Land Agricultural Value	\$0	\$0	\$0	\$0	\$0
Agricultural (Market) Value	\$0	\$0	\$0	\$0	\$0
Just (Market) Value	\$50,960	\$50,960	\$51,000	\$51,000	\$51,000
Assessed Value	\$50,960	\$50,960	\$51,000	\$51,000	\$51,000
Exempt Value	\$0	\$0	\$0	\$0	\$0
Taxable Value	\$50,960	\$50,960	\$51,000	\$51,000	\$51,000
Maximum Save Our Homes Portability	\$0	\$0	\$0	\$0	\$0

"Just (Market) Value" description - This is the value established by the Property Appraiser for ad valorem purposes. This value does not represent anticipated selling price.

TRIM Notice

[2020 TRIM Notice \(PDF\)](#)

Land Information

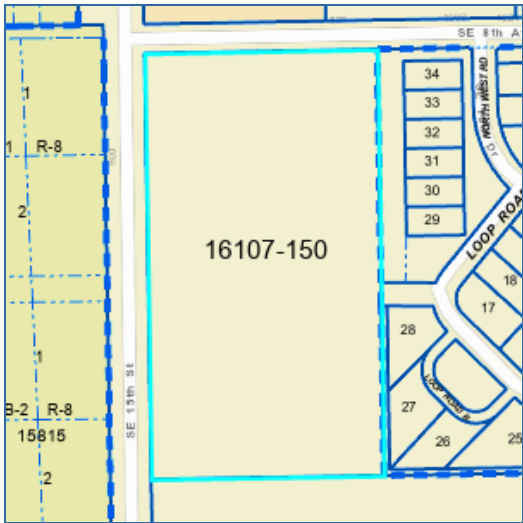
Land Use	Land Use Desc	Acres	Square Feet	Eff. Frontage	Depth	Zoning
1000	VACANT COMMERCIAL	6.37	277477.2	0	0	U8

Sales

Sale Date	Sale Price	Instrument	Book	Page	Qualified	Vacant/Improved	Grantor	Grantee	Link to Official Records
3/27/2012	\$100	WD	4102	2155	11 - CORRECTIVE DEED	Vacant	NEW GAINESVILLE 20 LLC	PREVITI, PETER & HEATHER	Link (Clerk)
4/18/2006	\$536,500	WD	3355	1118	Q - QUALIFIED	Vacant	EMMER MARITAL TRUST PHILIP I &	NEW GAINESVILLE 20 LLC	Link (Clerk)
8/1/1984	\$100	MS	1572	210	U - UNQUALIFIED	Vacant		EMMER MARITAL TRUST PHILIP I &	Link (Clerk)

Official Public Records information is provided by the Alachua County Clerk's Office. Clicking on these links will direct you to their web site displaying the document details for this specific transaction.

Map



No data available for the following modules: Building Information, Sub Area, Extra Features, Permits, Sketches, Photos.

This web application and the data herein is prepared for the inventory of real property found within Alachua County and is compiled from recorded deeds, plats, and other public records and data. Users of this web application and the data herein are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information. Alachua County Property Appraiser's Office assumes no legal responsibility for the information contained herein.
[User Privacy Policy](#)
[GDPR Privacy Notice](#)

Developed by
 **Schneider**
GEOSPATIAL

[Last Data Upload: 6/25/2021, 10:22:41 PM](#)

Version 2.3.127

Attachment D

ACCOUNT NUMBER	ESCROW CD		MILLAGE CODE
16107 150 000		APPLICABLE VALUES AND EXEMPTIONS BELOW	3600

UNASSIGNED LOCATION RE

PREVITI, PETER & HEATHER
5825 SUNSET DR 210
SOUTH MIAMI, FL 33143

COM NW COR RUN E 30 FT S 50 FT TO INT
OF E R/W SE 15T
See Additional Legal on Tax Roll

AD VALOREM TAXES					
TAXING AUTHORITY	MILLAGE RATE	ASSESSED VALUE	EXEMPTION(S)	TAXABLE VALUE	TAXES LEVIED
BOARD OF COUNTY COMMISSIONERS					
CNTY GENERAL	7.8935	50,960	0	50,960	402.25
ALACHUA CNTY LIBRARY DISTRICT					
LIBRARY GENERAL	1.1289	50,960	0	50,960	57.53
SCHOOL BOARD OF ALACHUA COUNTY					
SCHL CAP35 PROJECT (S01)	1.5000	50,960	0	50,960	76.44
SCHL DISCRNRY & CN (S01)	0.7480	50,960	0	50,960	38.12
SCHL GENERAL	3.6670	50,960	0	50,960	186.87
SCHOOL VOTED (S01)	1.0000	50,960	0	50,960	50.96
ST JOHNS RIVER WATER MGT DISTR	0.2287	50,960	0	50,960	11.65
CHILDREN'S TRUST	0.5000	50,960	0	50,960	25.48
36 CITY OF GAINESVILLE	5.2974	50,960	0	50,960	269.96
TOTAL MILLAGE	21.9635	AD VALOREM TAXES			\$1,119.26

WANT TO RECEIVE YOUR BILL ELECTRONICALLY NEXT YEAR? VISIT www.AlachuaCollector.com AND SIGN UP FOR E-BILLS!

PAY ONLINE WITH E-CHECK



SCAN TO PAY

PAY ONLY ONE AMOUNT. 

NON-AD VALOREM ASSESSMENTS

LEVYING AUTHORITY	UNIT	RATE	AMOUNT
NON-AD VALOREM ASSESSMENTS			\$0.00

COMBINED TAXES AND ASSESSMENTS \$1,119.26

If Paid By Please Pay	Nov 30, 2020 \$0.00				
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JOHN POWER, CFC
ALACHUA COUNTY TAX COLLECTOR

**2020 PAID REAL ESTATE
NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS**

92417

PLEASE PAY IN U.S. FUNDS (NO POSTDATED CHECKS) TO JOHN POWER, TAX COLLECTOR • 12 SE 1st ST, GAINESVILLE, FL 32601

ACCOUNT NUMBER	SITUS	MESSAGE
16107 150 000	UNASSIGNED LOCATION RE	

PREVITI, PETER & HEATHER
5825 SUNSET DR 210
SOUTH MIAMI, FL 33143

IF PAID BY	PLEASE PAY
<input type="checkbox"/> Nov 30, 2020	\$0.00
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	

Attachment E

Village at Lincoln Park Development Map



Attachment F

Development Cost Plan

Uses	Total Costs	%	\$/Unit
Hard Costs	\$ 13,680,000	62%	\$ 155,454.55
Hard Cost Contingency	\$ 684,000	3%	\$ 7,772.73
General Development Costs	\$ 2,350,884	11%	\$ 26,714.59
Soft Cost Contingency	\$ 117,544	1%	\$ 1,335.73
Financing Costs	\$ 942,500	4%	\$ 10,710.23
Acquisition	\$ 1,056,000	5%	\$ 12,000.00
Developer Fee	\$ 3,199,487	15%	\$ 36,357.81
Total Use of Funds	\$ 22,030,415	100%	\$ 250,345.63

**Preliminary budget, there is potential for reduces fees related to the site but need to be verified. Overall budget must be within FHFC Total Development Cost (TDC) requirements.*

Attachment G

Site Plan



**Only the proposed housing outlined in blue is part of the LGAO City of Gainesville and FHFC RFA 2021-201 Applications. Everything outside is shown for potential conceptual future phasing.*

Attachment H

Preliminary Drawings of Construction Plans

To mitigate risk we typically, along with other affordable housing developers, do not start developing preliminary construction plans until we know a project has been awarded funding. Also, site control was attained just prior to the LGAO application deadline so as we go through the application process, we will continue our due diligence and have our 1st step meeting with the planning department.

Attachment I

Development Timeline

RFA 2021-201 Due Date:	August 24,2021
Review Committee Meeting:	November 17, 2021
Request Board Approval of Recommendations:	December 10, 2021
Enter FHFC Credit Underwriting (12-18 Month Process):	January 2022
Site Plan Approval:	February 2022
Finish Construction Plans:	November 2022
Permitting:	December 2022
Break Ground (12 Months of Construction):	January 2023
Construction Completion:	December 2023
Property Stabilization (3 Month Lease Up):	April 2024

Attachment J

Village at Lincoln Park Rent Schedule

Unit Type	33% AMI	60% AMI
1 Bedroom	453	824
2 Bedroom	543	988
3 Bedroom	628	1,142

**Rents are Florida Housing Finance Corporation, 2021 Rent Limits by County*

Attachment K

ABILITY HOUSING, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
(WITH SUPPLEMENTAL INFORMATION)
AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2020 AND 2019



Ability Housing, Inc. and Affiliates

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Ability Housing, Inc. and Affiliates

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ability Housing, Inc. and Affiliates
Jacksonville, Florida

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ability Housing, Inc. (a nonprofit organization) and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ability Housing, Inc. and Affiliates, as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information on pages 48 through 52 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, state financial assistance and other awards and the related notes to the schedule of expenditures of federal awards, state financial assistance and other awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The accompanying other information on page 60 has not been subject to auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express any opinion or provide any assurance on it.

Other Reporting Requirements Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2021 on our consideration of Ability Housing, Inc. and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ability Housing, Inc. and Affiliates' internal control over financial reporting and compliance.

Tidwell Group, LLC

Atlanta, Georgia
April 21, 2021

Ability Housing, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS

	2020	2019
Cash and cash equivalents	\$ 4,229,050	\$ 727,953
Investments	1,584,807	1,373,561
Grants receivable	339,308	17,153
Tenant and other receivables	1,470,001	478,416
Restricted deposits and reserves	4,988,139	2,915,706
Construction in process	6,610,611	18,959,890
Prepaid expenses	238,170	278,594
Other assets, net of accumulated amortization of \$19,968 and \$1,642, respectively	254,923	164,237
Property and equipment, net of accumulated depreciation of \$10,092,427 and \$7,726,590, respectively	75,963,693	52,164,867
Total assets	<u>\$ 95,678,702</u>	<u>\$ 77,080,377</u>

LIABILITIES AND NET ASSETS

	2020	2019
LIABILITIES		
Accounts payable	\$ 265,895	\$ 111,627
Accrued expenses	307,486	287,505
Deferred revenue	929,747	677,198
Construction costs payable	3,522,730	3,754,326
Developer fees payable	1,167,479	266,909
Security deposits	182,090	116,114
Line of credit	-	250,000
Long-term debt	62,414,140	51,412,184
Total liabilities	<u>68,789,567</u>	<u>56,875,863</u>
NET ASSETS		
Controlling interest in net assets without donor restrictions - internally designated	814,983	814,983
Controlling interest in net assets without donor restrictions	2,287,645	1,508,022
Noncontrolling interest in net assets without donor restrictions	23,786,507	17,881,509
Net assets without donor restrictions	<u>26,889,135</u>	<u>20,204,514</u>
Total net assets	<u>26,889,135</u>	<u>20,204,514</u>
Total liabilities and net assets	<u>\$ 95,678,702</u>	<u>\$ 77,080,377</u>

See notes to consolidated financial statements.

Ability Housing, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS

Years ended December 31, 2020 and 2019

	2020	2019
Change in net without donor restrictions:		
Contributions, grants and revenues		
Leasing, housing assistance and other program income	\$ 4,594,322	\$ 2,401,492
Contributions	1,786,918	985,848
Grants - governmental	2,313,730	1,968,016
Debt forgiveness	380,824	471,824
Other income	1,214,118	561,411
Total contributions, grants and revenues	10,289,912	6,388,591
Expenses		
Program services	11,099,294	6,391,816
Management and general	265,787	206,411
Fundraising	170,862	132,692
Total expenses	11,535,943	6,730,919
Change in net assets without donor restrictions	(1,246,031)	(342,328)
Contributions to consolidated subsidiaries - noncontrolling interest	7,958,152	2,699,589
Syndication costs for consolidated subsidiaries - noncontrolling interest	(27,500)	(136,250)
Net assets, beginning of year	20,204,514	17,983,503
Net assets, end of year	26,889,135	20,204,514
Noncontrolling interest in subsidiaries, beginning of year	(17,881,509)	(15,760,693)
Syndication costs for consolidated subsidiaries - noncontrolling interest	27,500	136,250
Contributions to consolidated subsidiaries - noncontrolling interest	(7,958,152)	(2,699,589)
Noncontrolling interest in subsidiaries' loss	2,025,654	442,523
Controlling interest net assets, end of year	\$ 3,102,628	\$ 2,323,005

See notes to consolidated financial statements.

Ability Housing, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 1,431,881	\$ 140,204	\$ 90,132	\$ 1,662,217
Payroll taxes	93,271	10,250	6,589	110,110
Employee benefits	97,468	8,644	5,558	111,670
	<u>1,622,620</u>	<u>159,098</u>	<u>102,279</u>	<u>1,883,997</u>
Leasing and housing assistance	2,128,904	-	-	2,128,904
Repairs and maintenances	794,813	-	-	794,813
Telephone and utilities	674,810	1,846	1,187	677,843
Professional services	512,824	27,140	17,446	557,410
Insurance	487,948	3,285	2,112	493,345
Memberships, meetings, and training	46,328	5,672	3,646	55,646
Office expense	163,060	11,326	7,281	181,667
Taxes and licenses	463,868	353	227	464,448
Interest	1,271,528	-	-	1,271,528
Bad debts	81,035	5,138	3,304	89,477
Rent	38,994	7,090	4,557	50,641
Marketing	23,650	3,507	2,254	29,411
Postage	4,641	333	214	5,188
Miscellaneous expense	399,793	40,443	25,998	466,234
	<u>8,714,816</u>	<u>265,231</u>	<u>170,505</u>	<u>9,150,552</u>
Depreciation and amortization	2,384,478	556	357	2,385,391
	<u>2,384,478</u>	<u>556</u>	<u>357</u>	<u>2,385,391</u>
Total expenses	<u>\$ 11,099,294</u>	<u>\$ 265,787</u>	<u>\$ 170,862</u>	<u>\$ 11,535,943</u>

(continued)

Ability Housing, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED

Year ended December 31, 2019

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 1,185,626	\$ 134,457	\$ 86,437	\$ 1,406,520
Payroll taxes	76,849	9,365	6,021	92,235
Employee benefits	103,200	9,930	6,384	119,514
	<u>1,365,675</u>	<u>153,752</u>	<u>98,842</u>	<u>1,618,269</u>
Leasing and housing assistance	1,921,670	-	-	1,921,670
Repairs and maintenances	393,309	-	-	393,309
Telephone and utilities	437,199	2,022	1,300	440,521
Professional services	302,327	12,033	7,735	322,095
Insurance	218,376	5,022	3,228	226,626
Memberships, meetings, and training	77,830	12,354	7,942	98,126
Office expense	103,088	8,461	5,440	116,989
Taxes and licenses	90,226	304	195	90,725
Interest	250,105	-	-	250,105
Bad debts	34,425	-	-	34,425
Rent	43,056	7,828	5,032	55,916
Marketing	10,864	1,306	839	13,009
Postage	3,312	263	169	3,744
Miscellaneous expense	64,918	2,510	1,613	69,041
	<u>5,316,380</u>	<u>205,855</u>	<u>132,335</u>	<u>5,654,570</u>
Depreciation and amortization	<u>1,075,436</u>	<u>556</u>	<u>357</u>	<u>1,076,349</u>
Total expenses	<u>\$ 6,391,816</u>	<u>\$ 206,411</u>	<u>\$ 132,692</u>	<u>\$ 6,730,919</u>

See notes to consolidated financial statements.

Ability Housing, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ (1,246,031)	\$ (342,328)
Adjustments to reconcile change in net assets without donor restrictions to net cash, cash equivalents, and restricted cash provided by operating activities		
Depreciation	2,367,065	1,074,707
Amortization	18,326	1,642
Amortization of debt issuance costs included in interest expense	231,289	13,341
Debt forgiveness	(380,824)	(471,824)
Net write off of fixed assets	3,408	-
(Increase) decrease in operating assets		
Grant and support receivable	(322,155)	32,151
Tenant and other receivables	(991,585)	(368,202)
Prepaid expenses	40,424	(94,886)
Other assets	18,116	(18,116)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	233,784	117,357
Security deposit liability	65,976	41,936
Deferred revenue	177,163	45,483
Net cash, cash equivalents, and restricted cash provided by operating activities	<u>214,956</u>	<u>31,261</u>
Cash flows from investing activities:		
Purchases and expenditures on rental property	(8,846,905)	(22,437,596)
Purchases of land	(145,145)	(1,834,642)
Construction costs paid	(3,213,826)	(4,405,758)
Payments on capitalized developer fees	-	(57,303)
Tax credit fees paid	<u>(127,128)</u>	<u>(147,763)</u>
Net cash, cash equivalents, and restricted cash used in investing activities	<u>(12,333,004)</u>	<u>(28,883,062)</u>

(continued)

Ability Housing, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from financing activities:		
Proceeds from borrowings	\$ 14,447,133	\$ 26,019,725
Loan costs paid	(400,183)	(243,671)
Syndication costs paid	(27,500)	(136,250)
Bank overdraft	(59,535)	59,535
Repayment of debt	(4,015,243)	(69,055)
Contributions to consolidated subsidiaries - noncontrolling interest	7,958,152	2,699,589
	<u>17,902,824</u>	<u>28,329,873</u>
Net cash, cash equivalents, and restricted cash provided by financing activities		
	<u>17,902,824</u>	<u>28,329,873</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	5,784,776	(521,928)
Cash, cash equivalents, and restricted cash, beginning of year	<u>5,017,220</u>	<u>5,539,148</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 10,801,996</u>	<u>\$ 5,017,220</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest, net of amounts capitalized	<u>\$ 1,200,375</u>	<u>\$ 135,329</u>
Supplemental schedule of non-cash investing and financing activities		
Debt forgiveness	\$ (456,210)	\$ (547,210)
Deferred revenue	75,386	75,386
Debt forgiveness revenue	380,824	471,824
Capitalized developer fee	900,570	266,909
Rental property	(4,827,970)	(3,100,234)
Accrued expenses	-	7,309
Capitalized amortization	90,691	115,181
Construction costs payable	2,982,230	2,710,835
Capitalized interest	854,479	-
	<u>\$ -</u>	<u>\$ -</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Ability Housing, Inc. (Ability Housing or the Organization) is a tax-exempt, 501(c)(3) nonprofit organization incorporated in the State of Florida in 1992 (then named Grove House of Jacksonville, Inc.). In 2004, Ability Housing revised its mission and focus from that of a service organization interested in affordable housing to that of an organization dedicated solely to the development and operation of quality, affordable and supportive housing. In 2015, at the request of the community, Ability Housing expanded to also serve Central Florida. Because of this expansion, in 2016 the organization changed its name to Ability Housing, Inc.

The mission of Ability Housing is to build strong communities where everyone has a home. Ability Housing's vision is a society where housing is a right, not a privilege, and all individuals have safe, affordable housing in vibrant communities. To fulfill its mission, Ability Housing develops and operates quality affordable and supportive rental housing, provides rental assistance so residents can afford market apartments, and coordinates supportive services for tenants. Ability Housing operates the following programs:

CASA is a scattered-site project consisting of 29 single-family and multi-family homes dispersed throughout Jacksonville, Florida. CASA utilizes a shared-housing model which is designed specifically for adults with disabilities wishing to live independently with roommates. The 29 homes provide housing to 60 or more adults with a disability, the majority of which are developmental.

Villages Program consists of quality, multi-family, rental properties targeted to formerly homeless, low- very low- and extremely low-income individuals and families. The Villages Program is dedicated to fostering the dignity and self-sufficiency of all residents. Individualized support services are offered to all residents to allow them to maintain their housing and access community-based services. Through Continuum of Care grants some units are targeted to individuals and families that have been chronically homeless.

The Villages Program currently consists of six properties in Duval County and two in Orange County. One additional project is in development, which is in Orange County. This entity, Gannet Pointe, Ltd. (Gannet Pointe) is a rehab project and approximately 53% of the units were rehabbed and available for occupancy at year end.

Through Villages Program, Ability Housing is also assisting two non-profits to develop three properties, one in Duval County and two in Pasco County.

The eight Villages Program properties currently in operation are:

Mayfair Village Apartments is an 83-unit apartment complex located on Jacksonville's Southside. 42 units are reserved for extremely low-income (earning less than 30% of Area Median Income (AMI) households and 41 units are restricted to very low-income (earning less than 50% of AMI) households. Of the total apartments, 42 are restricted to formerly

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

homeless individuals and families. Mayfair Village is owned by Ability Mayfair II, LLC (Ability Mayfair). Ability Housing is a 0.01% owner of Ability Mayfair and is the managing member and exercises effective control. Accordingly, the LLC is consolidated for financial Ability Housing, Inc. and Affiliates statement reporting in accordance with accounting principles generally accepted in the United States (GAAP). Mayfair Village Apartments was acquired and rehabilitated utilizing low-income housing tax credit equity, a Tax Credit Exchange Program forgivable loan, a HOME Investment Partnership Program loan and a Homeless Housing Assistance Grant.

Renaissance Village Apartments is a 52-unit apartment complex located in Jacksonville's Longbranch community. All units are restricted to serving households who were homeless or at-risk and earn 35% or less of AMI at move-in. Renaissance Village was acquired from Florida Housing Finance Corporation and rehabilitated utilizing a Neighborhood Stabilization Program forgivable loan from the City of Jacksonville.

Oakland Terrace Apartments is a 60-unit apartment complex located on Jacksonville's Eastside with a Section 8 Housing Assistance Payments agreement with the U.S. Department of Housing and Urban Development (HUD); a significant portion of the property's rental income is received from HUD. 48 units are restricted to households earning 60% of AMI and 12 units are restricted to those at 30% of AMI, 6 of which are set aside for special needs households. Ability Housing has instituted a preference for all unit turn-over to be targeted to homeless families. Oakland Terrace is owned by Ability Oakland II, LLC (Ability Oakland).

Ability Housing is a 0.01% owner of Ability Oakland and is the managing member and exercises effective control. Accordingly, Ability Oakland is consolidated for financial statement reporting in accordance with GAAP. Oakland Terrace was acquired and rehabilitated utilizing low-income housing tax credit equity, HUD Mortgage Restructuring and Contingent Repayment Mortgages, and conventional debt. Ability Oakland has a fiscal year-end of October 31st. The October 31, 2020 and 2019 information is reflected in these consolidated financial statements.

Village at Hyde Park Apartments is an 80-unit apartment complex located in Jacksonville's Hyde Park neighborhood. 40 units are reserved for formerly homeless households; 40 units are reserved for households with a disabling condition, eight of which are reserved for formerly chronically homeless households. Eight units are reserved for households earning 22% AMI or less, eight units are reserved for households earning 33% AMI or less and the remaining 64 units are reserved for households earning 60% AMI or less. Village at Hyde Park is owned by Ability Londontowne, LLC (Ability Londontowne). Ability Housing is a 0.01% owner of Ability Londontowne and is the managing member and exercises effective control. Accordingly, the LLC is consolidated for financial Ability Housing, Inc. and Affiliates statement reporting in accordance with GAAP. Village at Hyde Park Apartments was constructed utilizing low-income housing tax credit equity, a National Housing Trust Fund loan and a State Apartment Incentive Loan Program loan; both loans from Florida Housing Finance Corporation.

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Village at Hyde Park Apartments' construction was substantially complete at December 31, 2019. The project was placed into service on January 1, 2020. As of December 31, 2019, the project's construction costs were recorded in construction in process on the accompanying consolidated statements of financial position. As of December 31, 2020, the project's construction costs have been capitalized into property and equipment.

Village on Mercy Apartments is a 166-unit apartment complex located in Orlando's Mercy Drive neighborhood. 83 units are reserved for formerly homeless households; nine of which are reserved for persons with a disabling condition. 25 units are reserved for households earning 40% AMI or less, the remaining are reserved for households earning 60% AI or less. Village on Mercy is owned by Ability Mercy, LLC (Ability Mercy). Ability Housing is a 0.01% owner of Ability Mercy and is the managing member and exercises effective control. Accordingly, the LLC is consolidated for financial Ability Housing, Inc. and Affiliates statement reporting in accordance with GAAP. Village on Mercy Apartments was constructed utilizing low-income housing tax credit equity, a State Apartment Incentive Loan Program Loan and a Viability Loan; both loans from Florida Housing Finance Corporation.

Village on Wiley is a 43-unit apartment complex, located on Jacksonville's Westside. All units are targeted to high utilizers of crisis services, the majority of whom have been chronically homeless. 13 units are reserved for households earning 33% or less of AMI, the remaining 30 units target households earning 50% or less of AMI. Village on Wiley was financed with a State Apartment Inceptive Loan Program and Extremely Low Income Loan; both loans are forgivable and are from Florida Housing Finance Corporation.

Wayne Densch Center, located in Eatonville, Florida, previously operated as a transitional housing program and was converted by Ability Housing into 75 multifamily rental units that provide high quality, service-enriched affordable and supportive housing, with a focus on serving formerly homeless individuals and families. Wayne Densch Center is operated by Ability WDC, LLC, which is a wholly owned subsidiary of Ability Housing. Rehabilitation of the project was completed during the year ended December 31, 2020.

Ability Dozier, LLC, a wholly-owned subsidiary of Ability Housing, acquired a 14-unit multi-family apartment complex located in Jacksonville, Florida on October 30, 2020. The assets were purchased for a total purchase price, including transaction costs, of \$536,315. The total purchase price was allocated to the assets acquired based on their relative fair values at the date of acquisition. The purchase price was allocated as follows:

Land	\$ 146,145
Building and improvements	390,170
	<u>\$ 536,315</u>

HousingLink serves persons that have been chronically homeless, such persons with a disability that have experienced long-term or repeated episodes of homelessness. Ability Housing provides rental assistance which gives individuals the opportunity to afford market

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

housing in the community; and contracts with area service providers to ensure each resident is provided voluntary, individualized case management services so that the household may retain their housing and increase their self-sufficiency.

The **Resident Enrichment** program ensures that Ability Housing's residents have the support and enrichment opportunities they need to enhance their lives. Ability Housing contracts and partners with nonprofits in the community to provide voluntary, individualized case management services, as well as workshops and trainings for all residents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Ability Housing, its wholly owned subsidiaries, and subsidiaries in which it has a majority ownership or less than a majority ownership interest but for which Ability Housing exercises control. These entities are included in the consolidation according to GAAP which requires that entity accounts be consolidated for all limited partnerships or limited liability companies which are deemed to be controlled by Ability Housing.

All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified and reported as follows:

Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions.

With Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, are reported as increases or decreases in net assets without donor restrictions.

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Expirations of restrictions on net assets are reported as reclassifications between applicable net asset classes.

Cash, Cash Equivalents and Restricted Cash

Ability Housing considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. All certificates of deposit are considered cash.

Cash, cash equivalents and restricted cash as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Cash and cash equivalents	\$ 4,229,050	\$ 727,953
Investments	1,584,807	1,373,561
Restricted deposits and reserves	4,988,139	2,915,706
Total cash, cash equivalents, and restricted cash shown on the consolidated statements of cash flows	<u>\$ 10,801,996</u>	<u>\$ 5,017,220</u>

Non-controlling Interest in Limited Liability Companies

GAAP requires consolidated subsidiaries that have non-controlling interests to include the non-controlling ownership interest in the net assets of Ability Housing.

Advertising Costs

The Organization's policy is to expense advertising costs when incurred.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Investments

Investments are carried at fair value and any gain or loss from mark-to market accounting valuations will be recorded as an unrealized gain or loss in the consolidated statements of activities and changes in net assets. Realized gains and losses are recorded as of the trade date.

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Debt Issuance Costs

In accordance with GAAP, debt issuance costs are presented as an offset of the related debt instruments within the liabilities section of the accompanying consolidated statements of financial position. Debt issuance costs are being amortized using the straight-line method over the term of the mortgage and amortization expense is included in interest expense on the accompanying consolidated statements of activities and changes in net assets.

GAAP requires that the effective interest method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective interest method. Estimated amortization expense for the five ensuing years is expected to be \$70,683, \$15,661, \$15,661, \$15,661 and \$15,397, respectively.

Tax Credit Fees

Tax credit fees in the amount of \$274,891 are being amortized using the straight-line method over the mandatory fifteen year compliance period. Amortization expense for the years ended December 31, 2020 and 2019 was \$18,326 and \$1,642, respectively. Accumulated amortization of tax credit fees as of December 31, 2020 and 2019 was \$19,968 and \$1,642, respectively. The tax credit fees and associated accumulated amortization are included in other assets on the accompanying consolidated statements of financial position. Estimated amortization expense for the five ensuing years is expected to be \$18,326 annually.

Accounts Receivable

Grants, contracts and other accounts receivable are stated at the amount management expects to collect from outstanding balances. If amounts become uncollectible, they will be charged to the program when the determination is made. At December 31, 2020 and 2019, there was no allowance for doubtful accounts.

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method for tenant receivables is not materially different from the results that would have been obtained under the allowance method.

Construction in Process

Construction in process is stated at cost.

Property and Equipment

Property and equipment are stated at cost. Donated assets are recorded at fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

individual assets. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. The estimated useful lives used in determining straight-line depreciation are:

Buildings	27.5 - 40 years
Building improvements	7 - 40 years
Furniture, fixtures and equipment	3 - 7 years

Impairment of Long-lived Assets

Ability Housing reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. No impairment losses have been recognized during the years ended December 31, 2020 or 2019.

Capitalization of Soft Costs

The Organization capitalizes soft costs during the development of its projects. During the years ended December 31, 2020 and 2019, interest costs of \$243,501 and \$548,218, respectively, insurance costs of \$222,019 and \$70,861, respectively, real estate taxes of \$44,467 and \$31,092, respectively, and amortization of \$90,691 and \$0, respectively, were capitalized and are included in construction in process or placed into service and included in property and equipment on the accompanying consolidated statements of financial position.

Income Taxes

Ability Housing is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as confirmed in an exemption letter dated July 31, 1992. However, any unrelated business income may be subject to taxation. For the years ended December 31, 2020 and 2019, Ability Housing has no obligation for any unrelated business income tax.

Ability Mayfair, Ability Oakland, Ability Mercy, Ability Londontowne, and Gannet Pointe are entities that have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by their owners on their respective income tax returns. Each entity's federal tax status as a pass-through entity is based on their respective legal status as a limited liability company. Accordingly, the entities are not required to take any tax positions in order to qualify as pass-through entities. The individual entities are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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provision for income taxes and the entities have no other tax positions which must be considered for disclosure.

Generally, income tax returns filed by Ability Housing and its affiliates are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2017 remain open.

Functional Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and consolidated statements of functional expenses. Certain costs attributable to more than one program or supporting function have been allocated among the programs and supporting services benefited. Expenses are allocated among program and supporting services on a basis of time and effort (such as salaries and benefits) as well as square footage (such as depreciation, office and occupancy) or other reasonable and consistent methodology.

Rental Income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants of the property are operating leases and are typically for a period of one year or less. For the years ended October 31, 2020 and 2019, Ability Oakland earned \$510,847 and \$513,933, respectively, in HUD Section 8 subsidies. For the years ended December 31, 2020 and 2019, Ability Mayfair earned subsidies from several sources totaling \$312,122 and \$195,334, respectively. For the years ended December 31, 2020 and 2019, Renaissance Village earned subsidies from several sources totaling \$65,453 and \$61,769, respectively. For the years ended December 31, 2020 and 2019, Village on Wiley earned subsidies from sources totaling \$206,038 and \$237,645, respectively. For the years ended December 31, 2020 and 2019, CASA earned subsidies from several sources totaling \$11,280 and \$12,512, respectively. For the years ended December 31, 2020 and 2019, Ability Mercy earned subsidies from sources totaling \$443,932 and \$16,790, respectively. For the years ended December 31, 2020 and 2019, Ability Londontowne earned subsidies from sources totaling \$205,892 and \$0, respectively. For the years ended December 31, 2020 and 2019, Gannet Pointe earned subsidies from sources totaling \$247 and \$0, respectively.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions that are temporary in nature are reclassified to net

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Recognition of Grant Revenue

Ability Housing recognizes non-reimbursable grants as revenue without donor restrictions when awarded. Certain grants are received under the cost reimbursement method and are recognized in revenue without donor restrictions as reimbursable expenditures are incurred. Amounts received that are designated for future periods or restricted by the grantor are reported as donor restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the grant is received, the Organization reports the grant as support without donor restriction.

Tax Credit Exchange Funds

Tax credit exchange funds are accounted for as a government grant related to assets. Upon receipt, exchange funds are recorded as deferred liabilities and recognized as income over the life of the related assets.

Forgiveness of Tax Credit Exchange Loan

The Organization recognizes forgiveness of tax credit exchange loans based on the specific terms of forgiveness set forth in the loan documents. The terms of the Organization's tax credit exchange loan provide for forgiveness based on terms that are contingent and are not recognized until such contingencies are resolved. All amounts of the loan for which forgiveness is recognized are considered tax credit exchange funds and are accounted for as a government grant related to assets.

Forgiveness of Loans

The Organization recognizes forgiveness of loans for CASA and Village on Wiley based on the specific terms of forgiveness set forth in the loan documents.

Ground Lease

The Organization accounts for a ground lease for Ability WDC as an operating lease and pays Sunsystem Development Corporation, d/b/a Florida Hospital Foundation (the Landlord) annual rent of \$1 (see Note 5).

Developer Fees

The Organization enters into contracts to develop properties on a fee basis for projects in which the Organization holds an interest through a general partnership (or company) interest or for unrelated third parties. In these cases, the Organization typically agrees to be responsible for all aspects of development through the completion of construction of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

project. In return for the development services provided, the Organization receives payments as certain milestones are achieved. A portion of the fees is received at various, specified dates in the partnership (or operating) agreements and are paid from capital contributions of the limited partner(s) (or investor member(s)) or other development sources. In addition to the fees paid from capital contributions or other development sources, generally, a portion of the fees will be paid from future cash flows of the various projects as cash becomes available, but not at predetermined, specified dates.

Management also identified any variable consideration according to the terms of each agreement. For any variable consideration that is identified, management uses the best estimate approach to establish the total transaction price of the contract. Once the transaction price is established, management allocates the price among the performance obligations as designated in the contracts. Generally, management has determined that approximately twenty percent of the performance obligations are incurred prior to the initial closing of the projects, with the remaining approximately eighty percent of the performance obligations being incurred during construction. The portion of the transaction price that is recognized during construction is recognized using the input method, based on the proportion of the total construction contract that has been incurred to date.

Developer fees earned are capitalized in the respective entity's building or construction in process basis and recorded as income by Ability Housing. Developer fees earned and capitalized for consolidated affiliates, along with the corresponding receivable and payable for consolidated entities for developer fees not paid as of December 31, 2020 and 2019 are also eliminated in consolidation.

During the years ended December 31, 2020 and 2019, the Organization recognized \$871,475 and \$313,067, respectively, of revenue associated with development contracts that does not eliminate, which is included in other income on the accompanying consolidated statements of activities and changes in net assets. At December 31, 2020 and 2019, \$717,089 and \$138,067, respectively, of development fees that do not eliminate remain outstanding and are included in tenant and other receivables on the accompanying consolidated statements of financial position. At December 31, 2020 and 2019, deferred revenue of \$66,900 and \$0, respectively, was recorded for development fees paid in excess of developer fees earned that do not eliminate, which is included in deferred revenue on the accompanying consolidated statements of financial position.

Donated Materials, Long-lived Assets, Facilities & Services

Donated materials are recorded as contributions at their estimated fair value at the date of donation. Long-lived assets or the use of facilities are recorded as contributions in the period received at fair value. Contributions of services are recognized in the consolidated financial statements if the services enhance or create nonfinancial assets or require specialized skills and are provided by individuals possessing those skills.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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Promises to Give

Promises to give are recorded as revenue at net realizable value based on historical trends. Payments due in future periods are discounted to present value and recorded as net assets with donor restrictions. As of December 31, 2020 and 2019, there were no promises to give.

Reclassifications

Certain items from prior year consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported net assets or changes in net assets of the Organization.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities. The FASB established a framework for measuring fair value, established a three-level valuation hierarchy for disclosure of fair value measurement and enhanced disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The Organization uses various valuation approaches, including market, income and/or cost approaches. The framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs, as follows:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments: The fair values of investments are based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, due to the limited market activity of the instrument, fair value is based upon externally developed models that use unobservable inputs.

The following tables of the Organization's financial assets and liabilities that were accounted for at a fair value on a recurring basis as of December 31, 2020 and 2019. The financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The tables do not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

The fair value of investments using level 1 inputs comprise of the following:

	Fair Value as of December 31, 2020
Equity mutual funds	\$ 1,131,925
Fixed income mutual funds	452,882
	<u>\$ 1,584,807</u>
	Fair Value as of December 31, 2019
Equity mutual funds	\$ 929,625
Fixed income mutual funds	443,936
	<u>\$ 1,373,561</u>

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 4 - INVESTMENTS

As of December 31, 2020, investments are comprised of the following:

	Cost	Gross Unrealized Gain (Loss)	Fair Value
Equity mutual funds	\$ 870,710	\$ 261,215	\$ 1,131,925
Fixed income mutual funds	436,473	16,409	452,882
	<u>\$ 1,307,183</u>	<u>\$ 277,624</u>	<u>\$ 1,584,807</u>

Realized gains and losses of sales of mutual funds for the year ended December 31, 2020 were:

Gross proceeds	<u>\$ 675,699</u>
Realized gains	<u>\$ 16,727</u>

As of December 31, 2019, investments are comprised of the following:

	Cost	Gross Unrealized Gain (Loss)	Fair Value
Equity mutual funds	\$ 854,442	\$ 75,183	\$ 929,625
Fixed income mutual funds	431,643	12,293	443,936
	<u>\$ 1,286,085</u>	<u>\$ 87,476</u>	<u>\$ 1,373,561</u>

Realized gains and losses of sales of mutual funds for the year ended December 31, 2019 were:

Gross proceeds	<u>\$ 2,132,311</u>
Realized gains	<u>\$ 65,464</u>

NOTE 5 - GROUND LEASE

Ability WDC entered into a lease agreement (the Ground Lease) with the Landlord on January 1, 2016 (the Commencement date). The lease is for 20 years with a renewal option for an additional 5 years. Under the Ground Lease, Ability WDC pays the Landlord \$1 on or before the anniversary of the Commencement Date, as defined in the Ground Lease, each year.

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 6 - CONSTRUCTION IN PROCESS

Construction in process at December 31, 2020 and 2019 consisted of:

	2020	2019
Wayne Densch Center - Orange County, rehabilitation	\$ -	\$ 2,860,482
Village at Hyde Park - Duval County, new construction	-	13,030,009
Gannet Pointe - Osceola County, new construction	6,509,343	3,035,415
Other projects in development	101,268	33,984
	<u>\$ 6,610,611</u>	<u>\$ 18,959,890</u>

NOTE 7 - PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2020	2019
Ability Housing - Administration		
Land	\$ 61,000	62,000
Equipment	86,303	86,303
Accumulated depreciation	(76,962)	(72,994)
	<u>\$ 70,341</u>	<u>\$ 75,309</u>
Ability Housing - CASA Scattered Sites		
Land	\$ 310,062	\$ 310,062
Buildings and improvements	3,444,223	3,444,223
Accumulated depreciation	(1,451,709)	(1,352,733)
	<u>\$ 2,302,576</u>	<u>\$ 2,401,552</u>
Ability Housing - Renaissance Village		
Land	\$ 110,000	\$ 110,000
Buildings and improvements	5,912,424	5,912,424
Building equipment	49,000	49,000
Accumulated depreciation	(1,293,072)	(1,145,262)
	<u>\$ 4,778,352</u>	<u>\$ 4,926,162</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	2020	2019
Ability Housing - Village on Wiley		
Land	\$ 285,000	\$ 285,000
Land improvements	75,815	75,815
Buildings and improvements	5,153,122	5,150,472
Equipment	188,925	161,862
Accumulated depreciation	(894,193)	(738,421)
	<u>\$ 4,808,669</u>	<u>\$ 4,934,728</u>
Ability Housing - Wayne Densch Center		
Buildings and improvements	\$ 4,921,253	\$ 1,475,093
Land improvements	760,758	130,227
Furniture and fixtures	586,342	134,974
Accumulated depreciation	(176,523)	(36,277)
	<u>\$ 6,091,830</u>	<u>\$ 1,704,017</u>
Ability Housing - Ability Dozier		
Land	\$ 146,145	\$ -
Buildings and improvements	418,217	-
Accumulated depreciation	(1,735)	-
	<u>\$ 562,627</u>	<u>\$ -</u>
Ability Londontowne		
Land	\$ 498,000	\$ 498,000
Buildings and improvements	12,577,734	-
Furniture, fixtures and equipment	334,660	-
Accumulated depreciation	(450,973)	-
	<u>\$ 12,959,421</u>	<u>\$ 498,000</u>
Ability Mayfair II (as consolidated)		
Land	\$ 265,000	\$ 265,000
Buildings and improvements	12,317,568	12,317,568
Equipment	125,143	109,768
Accumulated depreciation	(3,427,731)	(3,118,697)
	<u>\$ 9,279,980</u>	<u>\$ 9,573,639</u>
Ability Mercy (as consolidated)		
Land	\$ 1,366,642	\$ 1,366,642
Building and improvements	18,304,713	17,848,758
Furniture, fixtures and equipment	1,474,937	1,465,302
Accumulated depreciation	(1,029,769)	(144,486)
	<u>\$ 20,116,523</u>	<u>\$ 20,536,216</u>

Ability Housing, Inc. and Affiliates

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December 31, 2020 and 2019

	2020	2019
Ability Oakland II (as consolidated)		
Land	\$ 230,000	\$ 230,000
Buildings and improvements	6,425,106	6,425,106
Equipment	149,858	149,858
Accumulated depreciation	(1,279,424)	(1,117,720)
	<u>\$ 5,525,540</u>	<u>\$ 5,687,244</u>
Gannet Pointe (as consolidated)		
Land	\$ 1,828,000	\$ 1,828,000
Buildings and improvements	7,559,321	-
Furniture, fixtures and equipment	90,849	-
Accumulated depreciation	(10,336)	-
	<u>\$ 9,467,834</u>	<u>\$ 1,828,000</u>
Total	<u>\$ 75,963,693</u>	<u>\$ 52,164,867</u>

NOTE 8 - LINE OF CREDIT

The Organization had a revolving line of credit with a commercial bank in the amount of \$700,000. Interest was accrued at the LIBOR daily floating rate plus 2.5% (4.30% at December 31, 2019). The note was secured by certain cash and investments. Payments were due upon demand. The line of credit was paid off in September 2020. The outstanding balance at December 31, 2020 and 2019 was \$0 and \$250,000, respectively. As of December 31, 2020 and 2019, accrued interest was \$0 and \$2,367, respectively, which is included in accrued expenses on the accompanying statements of financial position.

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 9 - LONG-TERM DEBT

	<u>2020</u>	<u>2019</u>
Loan from Federal Home Loan Bank of Atlanta in the amount of \$400,000. No interest due. Matures 2026. The mortgage will be forgiven if all agreement requirements are met. The funds were used for rehabilitation of CASA homes.	\$ 400,000	\$ 400,000
Unsecured commercial bank loan in the amount of \$250,000 with interest at 2%, paid quarterly. The note is a four year loan but has an extended due date of October 2021. At the initial four year maturity of January 2020, eight quarterly principal payments of \$31,250 began.	125,000	250,000
Unsecured loan in the amount of \$100,000 from Vystar Credit Union. The loan bears interest at 5.99% per annum and matures on June 25, 2026. Interest only payments are due commencing June 25, 2020. Principal and interest payments are due commencing June 25, 2021 and through maturity. Accrued interest was \$0 and \$0, respectively, at December 31, 2020 and 2019.	100,000	-
Loan in the amount of \$217,900 from Ameris Bank. The loan bears interest at 1.00% per annum and matures on April 29, 2022. Payments to be made in 18 equal installments of \$12,263 beginning November 29, 2020. The loan is expected to be forgiven by the Small Business Administration under the Paycheck Protection Program. Ability Housing applied for forgiveness in October 2020. Accrued interest was \$1,456 and \$0, respectively, at December 31, 2020 and 2019.	217,900	-

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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	<u>2020</u>	<u>2019</u>
Unsecured loan in the amount of \$2,000,000 with interest at 2%. The note is payable in full on August 11, 2025. Interest is payable semi-annually beginning December 31, 2020. Accrued interest was \$0 and \$0, respectively at December 31, 2020 and 2019.	2,000,000	-
CASA mortgage payable from Florida Housing Finance Corporation. The mortgage bears no interest. Collateral is specific real property and rent assignment. Annual principal payments of \$8,400 begin December 2022 with a maturity balloon payment in December 2037.	252,000	252,000
CASA mortgage payable from Florida Housing Finance Corporation. The mortgage bears no interest. Collateral is specific real property. Annual principal payments of \$8,400 begin March 2023 with a maturity balloon payment in March 2038.	252,000	252,000
CASA mortgages payable from the City of Jacksonville. \$296,130 was obtained as a HOME grant. The mortgages bear no interest. Collateral is specific real properties. Due dates are 2016-2027. The mortgages will be forgiven at the end of 10-20 year period if all agreement requirements are met. No amounts were forgiven in 2020 and 2019, respectively.	100,000	100,000
CASA - various mortgages payable, in aggregate monthly installments of \$3,166. Interest rates are 6.25% at December 31, 2020. All remaining mortgages mature in 2035. Secured by real estate.	119,631	125,076

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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	2020	2019
CASA - twelve mortgages from Florida Housing Finance Corporation, all of which bear no interest. Ten mortgages payable in total of \$16,652 annually which mature in 2034. Two mortgages payable in installments of \$4,200 beginning in 2021 which mature in 2036.	353,064	369,714
CASA - Jacksonville Housing Commission as a SHIP Grant. Grant proceeds were a down payment assistance in the form of a second mortgage, not to exceed 20% of the purchase price of any one home. The mortgage will be forgiven at the end of 10-15-year periods, provided all agreement requirements are met. \$0 and \$91,000 was forgiven in 2020 and 2019, respectively. No interest is charged or accrued.	100,000	100,000
Gannet Pointe has a construction loan with Bank of America, N.A. in the original principal amount of \$7,559,703. Interest is accrued at the LIBOR Daily Floating Rate plus 210 basis points (2.25% at December 31, 2020) as defined in the loan agreement. Accrued interest was \$9,713 and \$7,309 at December 31, 2020 and 2019, respectively. Maturity is on August 30, 2021.	5,745,843	1,309,937
Gannet Pointe has a SAIL loan with Florida Housing Finance Corporation (FHFC) in the original principal amount of \$4,318,000. Interest is accrued at 0.3%. Accrued interest was \$4,573 and \$0 at December 31, 2020 and 2019, respectively. Principal and interest payments are only payable from annual cash flow. Maturity is on March 1, 2040. The note is secured by the real property.	1,803,016	850,966

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Gannet Pointe has a SAIL ELI loan with Florida Housing Finance Corporation (FHFC) in the original principal amount of \$182,000. The note bears no interest and will be forgiven over the term as outlined in the loan agreement. Maturity is on March 1, 2040. The note is secured by the real property.	75,996	35,867
Village on Wiley promissory notes from Florida Housing Finance Corporation totaling \$5,975,000, with interest at zero percent and principal nonamortizing. These notes are subject to a construction agreement and provide for a twenty year, permanent loan period, maturing December 2034. The mortgage note will be forgiven at a rate of five percent on each anniversary date of the date the development was placed in service (November 2015) if all agreement requirements are met. \$290,460 was forgiven in both 2020 and 2019, respectively.	4,356,899	4,647,359
Renaissance Village has a construction loan from the City of Jacksonville. \$6,606,000 was the total available. Final balance drawn was \$6,421,424. Collateralized by specific real property. The note bears no interest. The note will be forgiven in 2052 if the property remains affordable housing.	6,421,424	6,421,424
Ability Mercy has a construction loan with Bank of America, N.A. in the original principal amount of \$15,250,000. Interest is accrued at the LIBOR Monthly Floating Rate (3.35% and 4.91% at December 31, 2020 and 2019, respectively). Accrued interest was \$35,943 and \$55,722 at December 31, 2020 and 2019, respectively. The construction loan originally matured on October 10, 2020, at which time the maturity date was extended until April 7, 2021 at which time all outstanding amounts are due.	12,441,995	13,770,828
Ability Mercy has entered a Viability loan agreement with Florida Housing Finance Corporation (FHFC) in the original principal amount of \$1,335,205. The loan bears no interest and matures on April 10, 2050. As of December 31, 2020 and 2019, the loan has not been funded. The note is secured by the real property.	-	-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Ability Mercy has a SAIL loan with Florida Housing Finance Corporation (FHFC) in the original principal amount of \$5,000,000. Interest is accrued at 1%. Accrued interest was \$73,809 and \$39,939 at December 31, 2020 and 2019, respectively. Principal and interest payments are only payable from annual cash flow. Maturity is on April, 10, 2050. The note is secured by the real property.	5,000,000	3,004,525
Ability Londontowne has a NHTF loan with Florida Housing Finance Corporation (FHFC) in the original principal amount of \$1,452,286. The loan will bear no interest and will be forgiven after a term of 30 years including a 2.5 year construction period. The note is secured by the real property.	1,452,286	1,157,115
Ability Londontowne has a SAIL loan with Florida Housing Finance Corporation (FHFC) in the original principal amount of \$2,865,000. The loan will bear interest at 1% per annum for a term of 30 years including a 2.5 year construction period. The note is secured by the real property. Accrued interest was \$22,255 and \$0, respectively, at December 31, 2020 and 2019.	2,497,004	1,162,626
Ability Londontowne entered a construction loan agreement with JPMorgan Chase Bank, N.A., in the original principal amount of \$8,000,000. The term of the loan is 24 months. The loan is interest only with a floating rate equal to the 30 day LIBOR rate plus 225 basis points (2.44% and 4.75%, respectively, at December 31, 2020 and 2019). The note is secured by the real property. Accrued interest was \$470 and \$0, respectively, at December 31, 2020 and 2019.	6,998,494	7,774,954
Ability WDC has entered a loan agreement with Florida Community Loan Fund, Inc. in the original amount of \$2,570,000. The loan bears interest at 4% per annum and matures on July 11, 2025. Accrued interest was \$5,298 and \$4,436, respectively, at December 31, 2020 and 2019.	2,544,387	582,757

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	2020	2019
Ability WDC has entered a construction loan agreement with Neighborhood Lending Partners of Florida, Inc. and Orange County, Florida. The loan is divided into two tranches of \$1,000,000 each for a total of \$2,000,000. Interest accrues at 1%. Maturity is on July 2038. The note is secured by the real property. Accrued interest was \$1,416 and \$1,444, respectively, at December 31, 2020 and 2019.	2,000,000	2,000,000
Ability Oakland has a mortgage payable with Bellweather Enterprise Real Estate. The loan has an interest rate of 3.75%. The note is secured by the property and all rights and interest related thereto. The original balance was \$2,148,900 with monthly principal and interest payments of \$9,354. The note matures in January 2051. Accrued interest at October 31, 2020 and 2019 was \$6,452 and \$6,562, respectively.	1,998,017	2,032,126
Ability Mayfair has a mortgage payable under the Tax Credit Exchange Program administered by the Florida Housing Finance Corporation. The original principal amount was \$2,485,000. The mortgage bears no interest. Upon meeting certain requirements, as determined by Florida Housing Finance Corporation, the mortgage began in 2012 to be forgiven at a rate of 6.76% annually. \$165,750 was forgiven in both 2020 and 2019.	993,253	1,159,003
Ability Mayfair has a mortgage payable under the HOME program administered with the Florida Housing Finance Corporation. Principal of up to \$4,000,000 can be used for the acquisition, rehabilitation, and permanent financing of the Project. The note matures in October 2036 and the principal is due at that time. No interest is charged or accrued.	4,000,000	4,000,000
Ability Dozier has a mortgage payable with the Florida Community Loan Fund in the principal amount of \$500,000. The loan has an interest rate of 5.75% and matures on October 30, 2030. Monthly payments of principal and interest totaling \$2,918 are due until maturity. The note is secured by the property and all rights and interest related thereto. Accrued interest at December 31, 2020 and 2019 was \$0 and \$0, respectively.	499,046	-
Total	\$ 62,847,255	\$ 51,758,277
Less unamortized debt issuance costs	(433,115)	(346,093)
	62,414,140	51,412,184
Less current portion of debt	(25,990,195)	(14,990,490)
Long-term debt, net	\$ 36,423,945	\$ 36,421,694

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Maturities by year are as follows:

2021	\$	25,990,195
2022		527,885
2023		638,096
2024		539,988
2025		6,889,368
Thereafter		28,261,723
Total	\$	<u>62,847,255</u>

As of December 31, 2020 and 2019, total accrued interest was \$87,003 and \$115,412, respectively, which is included in accrued expenses on the accompanying statements of financial position. During the years ended December 31, 2020 and 2019, total interest expense incurred was \$1,271,528 and \$250,105, respectively, which includes amortization of debt issuance costs of \$88,740 and \$13,341, respectively.

As mentioned above, Ability Mayfair obtained a forgivable loan from the Florida Housing Finance Corporation (FHFC), under the Tax Credit Exchange Program. The loan bears no interest. The principal amount shall be forgiven at a rate of 6.76% per annum over the 15 year IRS affordability and compliance monitoring extended use period on each anniversary date of the date the project is placed in services as a “qualified low-income housing development”. Forgiveness of the loan is subject to Ability Mayfair maintaining compliance with the Section 42 and FHFC compliance requirements. The loan matures in 2026. The annual forgiveness amount is expected to be \$165,750 per year. The principal balance as of December 31, 2020 and 2019 was \$993,253 and \$1,159,003, respectively. For the years ended December 31, 2020 and 2019, \$90,364 and \$90,364 (see Note 2), respectively, was recognized as income and is included in debt forgiveness revenue on the accompanying consolidated statements of activities and changes in net assets. Deferred revenue as of December 31, 2020 and 2019 was \$678,474 and \$603,088 (see Note 2), respectively, which is included in deferred revenue on the accompanying consolidated statements of financial position.

CASA has forgivable loans from the City of Jacksonville and Jacksonville Housing Commission. The loans are forgiven as certain requirements are met. During the years ended December 31, 2020 and 2019, a total of \$0 and \$91,000, respectively, were forgiven on the loans and recognized as income which is included in debt forgiveness on the accompanying consolidated statements of activities and changes in net assets.

Village on Wiley has forgivable loans from Florida Housing and Finance Corporation. The loan are forgiven as certain requirements are met. During the years ended December 31, 2020 and 2019, a total of \$290,460 and \$290,460, respectively, was forgiven on the loans and recognized as income which is included in debt forgiveness revenue on the accompanying consolidated statements of activities and changes in net assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 10 - CONSTRUCTION CONTRACTS

Ability Mercy

During 2017, Ability Mercy entered into a construction contract with Sauer Incorporated, an unrelated party, to perform general contractor services in conjunction with the construction of the project for an original contract sum of \$16,675,654 plus approved change orders of \$629,755 as of December 31, 2020. As of December 31, 2020 and 2019, \$17,305,409 and \$16,976,007, respectively, of the construction contract has been incurred. As of December 31, 2020 and 2019, construction costs of \$131,610 and \$1,381,110, respectively, remain payable, including retainage payable of \$0 and \$848,800, respectively. The payable balance is included in construction costs payable on the accompanying consolidated statements of financial position.

Ability Londontowne

During 2018, Ability Londontowne entered into a construction contract with Sauer Incorporated, an unrelated party, to perform general contractor services in conjunction with the construction of the project for an original contract sum of \$10,761,513 plus approved change orders of \$746,450 as of December 31, 2020. As of December 31, 2020 and 2019 \$11,507,963 and \$11,319,672, respectively, of the construction contract has been incurred. As of December 31, 2020 and 2019, construction costs of \$0 and \$1,202,148, respectively, remain payable, including retainage payable of \$0 and \$96,038, respectively. The payable balance is included in construction costs payable on the accompanying consolidated statements of financial position.

Ability WDC

During 2017, Ability WDC entered into a construction contract with Sauer Incorporated, an unrelated party, to perform general contractor services in conjunction with the construction of the project for an original contract sum of \$5,194,701 plus approved change orders of \$550,188 as of December 31, 2020. As of December 31, 2020 and 2019, \$5,761,592 and \$4,063,286, respectively, of the construction contract has been incurred. As of December 31, 2020 and 2019, construction costs of \$288,080 and \$880,420, respectively, remain payable, including retainage payable of \$0 and \$339,470, respectively. The payable balance is included in construction costs payable on the accompanying consolidated statements of financial position.

Gannet Pointe

During 2019, Gannet Pointe entered into a construction contract with Parramore Development & Construction, LLC (Parramore), an affiliate of one of the co-general partners of Gannet Pointe, to perform general contractor services in conjunction with the construction of the project for an original contract sum of \$11,434,080 plus approved change orders of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

\$438,953 as of December 31, 2020. As of December 31, 2020 and 2019, \$10,109,913 and \$559,841 respectively, of the construction contract has been incurred. As of December 31, 2020 and 2019, construction costs of \$3,103,040 and \$290,248, respectively, remain payable, including retainage payable of \$815,494 and \$42,690, respectively. The payable balance is included in construction costs payable on the accompanying consolidated statements of financial position.

NOTE 11 - PROPERTIES AND SOURCES OF REVENUE

CASA

Ability Housing is a scattered-site rental program consisting of 21 single family and 8 multi-family homes throughout Jacksonville, Florida. The homes are rented to qualifying, low-income, adults with disabilities. Rents are based on ability to pay. Excess costs to maintain and service the debt on the homes are made up through contributions and grants. Major renovations, funded through a Federal Home Loan Bank Affordable Housing Program grant were conducted in 2012 and 2013.

Mayfair Village Apartments

In January 2008, Ability Mayfair, LLC (wholly owned by Ability Housing) purchased an existing apartment complex. The complex was appraised at \$4,509,130. The purchase price was \$3,209,130. The \$1,300,000 difference in purchase price and appraised value was recognized as a contribution.

The apartment complex was sold at a loss of \$1,371,831 during the year ended June 30, 2011 to Ability Mayfair II, LLC (Ability Mayfair) of which Ability Housing has .01% ownership with effective contractual control. The sales price of the apartment complex was \$2,650,000. The loss is eliminated in consolidation.

As of December 31, 2020 and 2019, developer fees totaling \$1,851,608 and \$1,851,608, respectively, have been paid to Ability Housing. As of December 31, 2020 and 2019, \$5,781 and \$5,613, respectively, of developer fees and accrued interest remain payable. These fees and payables are eliminated in consolidation.

As of December 31, 2020 and 2019, Ability Mayfair has a non-interest bearing note payable due in April 2026 totaling \$346,916 and \$346,916, respectively, to Ability Housing. This note is eliminated in consolidation.

Renaissance Village Apartments

In April 2010, Ability Housing purchased Renaissance Village, an existing complex. Rehabilitation of the complex began during the year ended June 30, 2011. The rehabilitation was completed in 2012 with \$6,071,423 in costs that were capitalized.

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

Oakland Terrace Apartments

Ability Oakland is a limited liability company that was formed in 2013 for the purpose of purchasing, rehabilitating, owning and operating a 60-unit low-income housing complex located in Jacksonville, Florida. Ability Oakland II MM, LLC (wholly owned by Ability Housing) is the managing member with an interest of 0.01%, with effective contractual control. The apartment complex was purchased from an LLC 100% owned by Ability Housing at a gain of \$1,588,094. The gain is eliminated in consolidation and the basis of the Ability Oakland building is reduced.

As of December 31, 2020 and 2019, developer fees totaling \$997,471 and \$997,471, respectively, have been paid to Ability Housing. As of December 31, 2020 and 2019, \$374,785 and \$374,785, respectively, of developer fees remain payable. These fees and payables are eliminated in consolidation.

At December 31, 2020 and 2019, Ability Oakland has three notes payable to Ability Housing totaling \$1,118,142 and \$1,118,142, respectively, with accrued interest of \$510,308 and \$443,219, respectively. These notes and accrued interest are eliminated in consolidation.

Village on Wiley

In 2014, Ability Housing purchased land for Village on Wiley and began new construction. Construction was primarily completed in 2015. \$5,597,334 in costs were capitalized.

Ability Mercy

Ability Mercy has a developer fee agreement with Ability Housing. As of December 31, 2020 and 2019, developer fees totaling \$284,730 and \$284,370, respectively, have been paid to Ability Housing. As of December 31, 2020 and 2019, \$3,068,715 and \$3,144,862, respectively, of developer fees remain payable. During the year ended December 31, 2020, the developer fee was reduced by \$76,147 based on final certification of development costs incurred. These fees and payables are eliminated in consolidation.

Ability Londontowne

Ability Londontowne has a developer fee agreement with Ability Housing. As of December 31, 2020 and 2019, developer fees totaling \$995,180 and \$478,863, respectively, have been paid to Ability Housing. As of December 31, 2020 and 2019, \$1,175,720 and \$1,751,498, respectively, of developer fees remain payable. These fees and payables are eliminated in consolidation.

Gannet Pointe

Gannet Pointe has a developer fee agreement with Ability Housing and DDER Development, LLC, an affiliate of one of the co-general partners of Gannet Pointe, who are co-developing

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

the apartment complex for a total developer fee of \$2,465,430. Pursuant to the development agreement, Ability Housing is entitled to 45% of the total developer fee. As of December 31, 2020 and 2019, developer fees totaling \$127,096 and \$127,096, respectively, have been paid including \$69,793 and \$69,793, respectively, paid to Ability Housing. As of December 31, 2020 and 2019, \$2,062,729 and \$462,381, respectively, of developer fees remain payable including \$895,250 and \$195,472, respectively, payable to Ability Housing. The fees and payables to Ability Housing are eliminated in consolidation.

Ability WDC

Ability WDC is to pay Ability Housing \$855,329 as part of the rehabilitation of the real property. As of December 31, 2020 and 2019, developer fees totaling \$0 and \$0, respectively, have been paid to Ability Housing. As of December 31, 2020 and 2019, \$855,329 and \$0, respectively, of developer fees remain payable. These fees and payables are eliminated in consolidation.

NOTE 12 - RETIREMENT PLAN

Ability Housing adopted a Simple IRA plan in 1998 for its employees. Ability Housing contributed \$12,503 and \$14,507 on behalf of its employees for the years ended December 31, 2020 and 2019, respectively.

NOTE 13 - LEASES

Ability Housing relocated in October 2017 with lease obligations beginning at \$3,988 per month and increasing 3% annually each February through January 2023 with a renewal option through January 2026.

Ability Housing also leases an office in Orlando, Florida for \$468 per month for 2018. The lease expired on December 31, 2018, but was extended through December 31, 2019. The lease was not renewed for 2020.

Total rent expense was \$50,641 and \$55,916 for the years ended December 31, 2020 and 2019, respectively.

Future minimum lease payments over the next three years are as follows:

2021	\$	52,160
2022		53,725
2023		4,488
	\$	<u>110,373</u>

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 14 - CONCENTRATION OF CREDIT RISK

Ability Housing's services are offered to those who have lower incomes and disabilities. This creates an inherent risk for ongoing rental collections.

Ability Housing maintains its cash balances in several accounts in various banks. At times, these balances may exceed the federal insurance limits; however, Ability Housing has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2020 or 2019.

Ability Mayfair, Ability Mercy, Ability Londontowne, Gannet Pointe and Ability Oakland's sole asset is their apartment complex. Their operations are concentrated in the multi-family real estate market. In addition, Ability Mayfair, Ability Mercy, Gannet Pointe and Ability Oakland operate in a heavily regulated environment. The operations of Ability Mayfair, Ability Mercy, Gannet Pointe and Ability Oakland are subject to the administrative directives, rules, and regulations of federal, state and local regulatory agencies. Such administrative directives, rules, and regulations are subject to change. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 15 - OPERATING RESERVES AND DEPOSITS

The following deposits are required to be maintained in accordance with the Ability Mayfair's operating agreement at December 31, 2020 and 2019:

	2020	2019
Operating reserve	\$ 183,390	\$ 182,467
Revenue deficit reserve	552,937	550,156
Services reserve	40,627	40,582
Wind damage reserve	25,369	25,341
	<u>\$ 802,323</u>	<u>\$ 798,546</u>

The following deposit, held by a third party, is maintained in accordance with Renaissance Village's Neighborhood Stabilization Program loan:

	2020	2019
Operating reserve	<u>\$ 350,000</u>	<u>\$ 350,000</u>

The following deposit is maintained in accordance with Village on Wiley's operating agreement:

Ability Housing, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	2020	2019
Operating deficit reserve	\$ 444,559	\$ 444,469

The following deposit is maintained in accordance with Ability Oakland's operating agreement:

	2020	2019
Operating reserve	\$ 243,719	\$ 242,960
Revenue deficit reserve	190,032	190,054
	<u>\$ 433,751</u>	<u>\$ 433,014</u>

Other deposits totaling \$2,957,506 and \$889,677 as of December 31, 2020 and 2019, respectively, consist of mortgage escrows, security deposits, replacement reserves, other reserves and utility deposits.

NOTE 16 - INTERNAL DESIGNATIONS OF NET ASSETS WITHOUT DONOR RESTRICTIONS

Ability Housing has internally designated a portion of unrestricted net assets as follows:

	2020	2019
Agency operating reserves	\$ 637,505	\$ 637,505
CASA operating reserves	49,828	49,828
CASA replacement reserves	77,650	77,650
CASA wind storm reserve	25,000	25,000
Renaissance Village wind storm reserve	25,000	25,000
	<u>\$ 814,983</u>	<u>\$ 814,983</u>

NOTE 17 - COMMITMENTS AND CONTINGENCIES

The Organization's low-income housing credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to comply with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the investor members.

NOTE 18 - PROPERTY MANAGEMENT FEES

Ability Housing has an agreement with an external management company to perform management services at Renaissance Village Apartments at 5% of rent and related income effective May 2016. The management agreement expired in 2018, but it has been automatically renewed and will be effective until terminated. Management fees incurred were

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

\$15,549 and \$14,138 for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$1,266 and \$1,092, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Ability Mayfair contracted with an external management company to perform management services at 5% of rent and related income effective May 2016. The management agreement expired in 2018, but it has been automatically renewed and will be effective until terminated. Total management fees incurred were \$28,622 and \$28,080 for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$2,711 and \$2,184, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Ability Oakland contracted with an external management company to perform management services at 5% of rent and related income effective May 2016. The management agreement expired in 2018, but it has been automatically renewed and will be effective until terminated. Management fees incurred were \$29,432 and \$29,854 for the years ended October 31, 2020 and 2019, respectively. As of October 31, 2020 and 2019, \$2,657 and \$2,564, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Village on Wiley contracted with an external management company to perform services at 5% per month of all rent and related income effective May 2016. The management agreement expired in 2018, but it has been automatically renewed and will be effective until terminated. Management fees incurred were \$16,032 and \$16,407 and for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$1,292 and \$1,528, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Ability Mercy contracted with an external management company to perform services at 5% per month of all rent and related income effective April 2018. The management agreement is effective for two years and may be automatically renewed for subsequent one year periods until terminated. Management fees incurred were \$73,649 and \$27,014 for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$5,250 and \$3,014, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Ability Londontowne contracted with an external management company to perform services at 5% per month of all rent and related income effective July 2018. The management agreement is effective for two years and may be automatically renewed for subsequent one year periods until terminated. Management fees incurred were \$33,546 and \$8,000 and for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$2,000 and \$6,600, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Ability WDC contracted with an external management company to perform services at \$3,000 per month of all rent and related income effective during 2019. Management fees incurred were \$2,180 and \$36,000 and for the years ending December 31, 2020 and 2019, respectively. During 2020, the contract with the external management was terminated and Ability WDC contracted with another external management company to perform services at 5% per month of all rent and related income, or \$2,000, whichever is greater, effective August 17, 2020. Management fees incurred were \$8,832 and \$0 and for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$2,832 and \$0, respectively, of management fees remain payable.

Gannet Pointe contracted with an external management company to perform services at 5% per month of all rent and related income effective April 2018. The management agreement is effective for two years and may be automatically renewed for subsequent one year periods until terminated. Management fees incurred were \$4,000 and \$0 and for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$0 and \$0, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Ability Dozier contracted with an external management company to perform services at 12% per month of all rent and related income effective July 2018. The management agreement is effective for two years and may be automatically renewed for subsequent one year periods until terminated. Management fees incurred were \$1,287 and \$0 and for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$0 and \$0, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

CASA contracted with an external management company to perform services at 12% per month of all rent and related income effective August 2020. The management agreement is effective for two years and may be automatically renewed for subsequent one year periods until terminated. Management fees incurred were \$1,824 and \$0 and for the years ending December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$0 and \$0, respectively, of management fees remain payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

NOTE 19 - RELATED PARTY TRANSACTIONS

Asset Management Fees

Ability Mayfair is required to pay the majority member of Ability Mayfair a cumulative annual asset management fee of \$5,000 for property management oversight, tax credit compliance monitoring and related services provided to the project. The fee increases by 3 percent annually. Ability Mayfair incurred asset management fees of \$6,524 and \$6,334 to the majority member of Ability Mayfair during the years ended December 31, 2020 and 2019, respectively. Payments of \$12,858 and \$6,149 were made to the majority member in 2020 and 2019, respectively. As of December 31, 2020 and 2019, \$0 and \$5,834,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

respectively, of asset management fees remain payable which are included in accrued expenses on the accompanying consolidated statements of financial position.

Ability Oakland is required to pay an affiliate of the investor member of Ability Oakland a cumulative annual asset management fee of \$5,000 for property management oversight, tax credit compliance monitoring and related services provided to the project. The fee increases by 3 percent annually. Asset management fees of \$6,734 and \$5,600, respectively, were incurred and charged to operations during the years ending October 31, 2020 and 2019. As of October 31, 2020 and 2019, \$0 and \$4,690, respectively, remained payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Beginning on the first day of the first month following permanent mortgage commencement, as defined in Gannet Pointe's partnership agreement, Gannet Pointe is required to pay the special limited partner of Gannet Pointe a cumulative annual asset management fee of \$5,000 for property management oversight, tax credit compliance monitoring and related services provided to the project. The fee increases by 3 percent annually. During the years ended December 31, 2020 and 2019, no asset management fees have been incurred or paid.

Investor Services Fee

Beginning in the later of 2019 or the first calendar year Ability Mercy receives rental income, Ability Mercy is required to pay its investor member a cumulative annual investor services fee of \$10,000 for services provided to the project. The fee increases by 3 percent annually. During the years ended December 31, 2020 and 2019, investor services fees of \$9,469 and \$4,998 were incurred, respectively. As of December 31, 2020 and 2019, \$0 and \$4,998, respectively, remained payable and are included in accrued expenses on the accompanying consolidated statements of financial position.

Beginning in the later of 2019 or the first calendar year Ability Londontowne receives rental income, Ability Londontowne is required to pay its investor member a cumulative annual investor services fee of \$10,000 for services provided to the project. The fee increases by 3 percent annually. As of both December 31, 2020 and 2019, no investor services fees have been incurred or paid.

Company Administration Fee

Beginning in the later of 2019 or the first calendar year Ability Mercy receives rental income, Ability Mercy is required to pay the managing member of Ability Mercy a cumulative annual company administration fee of \$18,000, increasing at a rate of 3 percent annually. The fee is payable from available cash flow. During the years ended December 31, 2020 and 2019, company administration fees of \$18,540 and \$9,000, respectively, have been incurred. As of December 31, 2020 and 2019, \$27,540 and \$9,000, respectively, remained payable. These amounts are eliminated upon consolidation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Beginning in the later of 2019 or the first calendar year Ability Londontowne receives rental income, Ability Londontowne is required to pay the managing member of Ability Londontowne a cumulative annual company administration fee of \$18,000, increasing at a rate of 3 percent annually. The fee is payable from available cash flow. During the years ended December 31, 2020 and 2019, company administration fees of \$18,000 and \$0, respectively, have been incurred. As of December 31, 2020 and 2019, \$18,000 and \$0, respectively, remained payable. These amounts are eliminated upon consolidation.

Partnership Management Fee

Gannet Pointe is required to pay the managing general partner, an entity in which Ability Housing owns 51% interest in, of Gannet Pointe a cumulative annual partnership management fee of \$5,000 for services provided to the project. The fee increases by 3 percent annually. During the years ended December 31, 2020 and 2019, no partnership management fees have been incurred or paid.

Supervisory Management Fee

Gannet Pointe is required to pay the supervisory management agent, an entity in which Ability Housing owns 51% interest in, of Gannet Pointe an annual supervisory management fee of 6% of the gross revenues of the project annually. The fee is only earned to the extent of available cash flow, as defined in Gannet Pointe's partnership agreement. During the years ended December 31, 2020 and 2019, no supervisory management fees have been incurred or paid.

Incentive Company Management Fee

Ability Oakland is required to pay the managing member an annual, non-cumulative incentive company management fee equal to 90 of cash flow, as defined, for services rendered to Ability Oakland. No incentive company management fees were incurred and charged to operations during the years ending October 31, 2020 and 2019. As of October 31, 2020 and 2019, there were no incentive company management fees payable.

NOTE 20 - CONTRIBUTIONS TO CONSOLIDATED SUBSIDIARIES NONCONTROLLING INTEREST

Ability Mercy

The operating agreement of Ability Mercy requires that the managing member of Ability Mercy provide capital contributions of \$100. As of December 31, 2020 and 2019, the managing member has made capital contributions of \$0 and \$0, respectively. Pursuant to the operating agreement, the investor member of Ability Mercy is required to make capital contributions of \$19,412,000, subject to adjustment as provided for in the Ability Mercy's operating agreement and to be paid in installments, to be used for funding construction. As of December 31, 2020 and 2019, the investor member has made capital contributions of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

\$5,823,600 and \$3,002,280, respectively, which are included in noncontrolling interest in net assets without donor restrictions on the accompanying consolidated statements of financial position. In addition, during the year ended December 31, 2019, Ability Mercy paid syndication costs of \$50,000, which is shown as a cost of equity and a reduction of noncontrolling interest in net assets without donor restrictions on the accompanying consolidated statements of financial position in accordance with GAAP.

Ability Londontowne

The operating agreement of Ability Londontowne requires that the managing member of Ability Londontowne provide capital contributions of \$100. As of December 31, 2020 and 2019, the managing member has made capital contributions of \$0 and \$0, respectively. Pursuant to the operating agreement, the investor member of Ability Londontowne is required to make capital contributions of \$16,153,500, subject to adjustment as provided for in the Ability Londontowne's operating agreement and to be paid in installments, to be used for funding construction. As of December 31, 2020 and 2019, the investor member has made capital contributions of \$4,846,050 and \$2,593,030, respectively, which are included in noncontrolling interest in net assets without donor restrictions on the accompanying consolidated statements of financial position.

Gannet Pointe

The partnership agreement of Gannet Pointe requires that the general partner of Gannet Pointe provide capital contributions of \$100. As of December 31, 2020 and 2019, the general partner has made capital contributions of \$0 and \$0, respectively. Pursuant to the partnership agreement, the investor limited partner of Gannet Pointe is required to make capital contributions of \$14,505,308, subject to adjustment as provided for in Gannet Pointe's partnership agreement and to be paid in installments, to be used for funding construction. As of December 31, 2020 and 2019, the investor limited partner has made capital contributions of \$5,132,921 and \$2,249,109, respectively, which are included in noncontrolling interest in net assets without donor restrictions on the accompanying consolidated statements of financial position. In addition, during the year ended December 31, 2019, Gannet Pointe paid syndication costs of \$86,250, which is shown as a cost of equity and a reduction of noncontrolling interest in net assets without donor restrictions on the accompanying consolidated statements of financial position in accordance with GAAP.

NOTE 21 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Ability Housing's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Cash and cash equivalents	\$ 4,229,050
Investments	1,584,807
Grants receivable	339,308
Tenant and other receivables	<u>1,470,001</u>
	<u>\$ 7,623,166</u>

Ability Housing manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. Ability Housing maintains financial assets on hand to meet 60 days of normal operating expenses.

NOTE 22 - UNCERTAINTY RELATED TO COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated abroad and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Project's operations. Future potential impacts may include disruptions or restrictions on the employees' ability to work or the tenants' ability to pay the required monthly rent as a result of job loss or other pandemic related circumstance. In addition, on August 31, 2020, the Department of Health and Human Services mandated a temporary halt in residential evictions to prevent the further spread of COVID-19. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

NOTE 23 - SUBSEQUENT EVENTS

Events that occur after the consolidated balance sheet date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events, which provide evidence about conditions that existed after the consolidated statement of financial position date, require disclosure in the accompanying notes. Management evaluated the activity of Ability Housing, Inc. and Affiliates through April 21, 2021 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

SUPPLEMENTAL INFORMATION

Ability Housing, Inc. and Affiliates
SUPPLEMENTAL INFORMATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2020

	Ability Housing, Inc.	Ability Mayfair II, LLC	Ability Oakland II, LLC	Ability Mercy, LLC	Ability Londontowne, LLC	Gannett Pointe, Ltd.	Eliminations	Combined Totals
ASSETS								
Cash and cash equivalents	\$ 2,343,825	\$ 214,660	\$ 8,858	\$ 587,063	\$ 73,140	\$ 1,001,504	\$ -	\$ 4,229,050
Investments	1,584,807	-	-	-	-	-	-	1,584,807
Grants receivable	339,308	-	-	-	-	-	-	339,308
Tenant and other receivables	9,512,629	5,599	13,261	90,026	113,598	4,135	(8,269,247)	1,470,001
Restricted deposits and reserves	1,164,265	1,091,419	753,354	1,215,590	763,511	-	-	4,988,139
Construction in process	101,268	-	-	-	-	6,941,007	(431,664)	6,610,611
Prepaid expenses	105,100	27,704	36,918	45,132	23,316	-	-	238,170
Other assets, net of accumulated amortization of \$19,968	-	-	-	136,270	118,653	-	-	254,923
Property and equipment, net of accumulated depreciation of \$10,092,427	18,614,395	9,747,153	7,651,579	23,330,484	15,075,731	10,000,657	(8,456,306)	75,963,693
Total assets	\$ 33,765,597	\$ 11,086,535	\$ 8,463,970	\$ 25,404,565	\$ 16,167,949	\$ 17,947,303	\$ (17,157,217)	\$ 95,678,702
LIABILITIES AND NET ASSETS								
Accounts payable	\$ 229,662	\$ 2,902	\$ 5,315	\$ 18,119	\$ 6,542	\$ 3,355	\$ -	\$ 265,895
Accrued expenses	34,604	16,810	584,091	301,792	59,095	43,171	(732,077)	307,486
Deferred revenue	138,857	686,549	6,196	10,633	87,512	-	-	929,747
Construction costs payable	288,080	-	-	491,461	95,285	3,199,765	(551,861)	3,522,730
Developer fees payable	-	5,781	374,785	3,068,715	1,175,720	2,062,729	(5,520,251)	1,167,479
Security deposits	73,391	30,714	9,285	47,150	21,550	-	-	182,090
Line of credit	-	-	-	-	-	-	-	-
Long-term debt	19,794,278	5,340,169	3,007,576	17,228,379	10,883,941	7,624,855	(1,465,058)	62,414,140
Total liabilities	20,558,872	6,082,925	3,987,248	21,166,249	12,329,645	12,933,875	(8,269,247)	68,789,567
Net assets without donor restrictions	13,206,725	5,003,610	4,476,722	4,238,316	3,838,304	5,013,428	(8,887,970)	26,889,135
Total liabilities and net assets	\$ 33,765,597	\$ 11,086,535	\$ 8,463,970	\$ 25,404,565	\$ 16,167,949	\$ 17,947,303	\$ (17,157,217)	\$ 95,678,702

See independent auditor's report

Ability Housing, Inc. and Affiliates

SUPPLEMENTAL INFORMATION

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2020

	Ability Housing, Inc.	Ability Mayfair II, LLC	Ability Oakland II, LLC	Ability Mercy, LLC	Ability Londontowne, LLC	Gannet Pointe, Ltd.	Eliminations	Total
Revenues and support								
Leasing, housing assistance and other program income	\$ 1,351,925	\$ 566,330	\$ 616,814	\$ 1,481,902	\$ 626,881	\$ 4,135	\$ (53,665)	\$ 4,594,322
Contributions	1,786,918	-	-	-	-	-	-	1,786,918
Grants - governmental	2,313,730	-	-	-	-	-	-	2,313,730
Debt forgiveness	290,460	90,364	-	-	-	-	-	380,824
Other income	1,752,088	28,148	1,329	45,552	22,328	-	(635,327)	1,214,118
Total contributions, grants and revenues	7,495,121	684,842	618,143	1,527,454	649,209	4,135	(688,992)	10,289,912
Expenses	5,822,938	799,471	890,640	2,699,161	1,604,833	43,189	(324,289)	11,535,943
Change in net assets without donor restrictions	1,672,183	(114,629)	(272,497)	(1,171,707)	(955,624)	(39,054)	(364,703)	(1,246,031)
Net assets, beginning of year	11,534,542	5,118,239	4,749,219	2,588,703	2,568,408	2,168,670	(8,523,267)	20,204,514
Contributions to consolidated subsidiaries - noncontrolling interest	-	-	-	2,821,320	2,253,020	2,883,812	-	7,958,152
Syndication costs for consolidated subsidiaries - noncontrolling interest	-	-	-	-	(27,500)	-	-	(27,500)
Net assets at end of year	\$ 13,206,725	\$ 5,003,610	\$ 4,476,722	\$ 4,238,316	\$ 3,838,304	\$ 5,013,428	\$ (8,887,970)	26,889,135

See independent auditor's report

Ability Housing, Inc. and Affiliates
SUPPLEMENTAL INFORMATION

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2020

	Ability Housing, Inc.	Ability Mayfair II, LLC	Ability Oakland II, LLC	Ability Mercy, LLC	Ability Londontowne, LLC	Gannet Pointe, Ltd.	Eliminations	Total
Salaries and wages	\$ 1,176,860	\$ 79,652	\$ 90,563	\$ 156,589	\$ 152,665	\$ 9,313	(3,425)	\$ 1,662,217
Payroll taxes	79,441	6,120	6,658	10,741	6,341	809	-	110,110
Employee benefits	66,924	10,665	14,008	9,113	10,960	-	-	111,670
	<u>1,323,225</u>	<u>96,437</u>	<u>111,229</u>	<u>176,443</u>	<u>169,966</u>	<u>10,122</u>	<u>(3,425)</u>	<u>1,883,997</u>
Leasing and housing assistance	2,128,904	-	-	-	-	-	-	2,128,904
Repairs and maintenances	323,176	90,022	128,403	176,157	76,989	66	-	794,813
Telephone and utilities	254,335	120,626	65,290	163,187	74,377	28	-	677,843
Professional services	291,149	52,531	43,599	95,558	84,237	4,036	(13,700)	557,410
Insurance	186,552	65,122	75,421	113,229	52,900	121	-	493,345
Memberships, meetings, and training	43,524	496	2,417	2,668	5,641	900	-	55,646
Office expense	106,831	8,337	20,235	24,999	16,073	5,192	-	181,667
Taxes and licenses	7,949	32,378	56,694	217,236	150,191	-	-	464,448
Interest	131,284	168	148,712	665,987	388,061	4,573	(67,257)	1,271,528
Bad debts	39,752	5,802	4,194	29,181	10,548	-	-	89,477
Rent	50,641	-	-	-	-	-	-	50,641
Marketing	25,944	420	77	233	2,167	570	-	29,411
Postage	3,173	457	720	531	265	42	-	5,188
Miscellaneous expense	356,447	16,505	7,306	56,172	59,697	6,647	(36,540)	466,234
	<u>5,272,886</u>	<u>489,301</u>	<u>664,297</u>	<u>1,721,581</u>	<u>1,091,112</u>	<u>32,297</u>	<u>(120,922)</u>	<u>9,150,552</u>
Depreciation and amortization	550,052	310,170	226,343	977,580	513,721	10,892	(203,367)	2,385,391
	<u>\$ 5,822,938</u>	<u>\$ 799,471</u>	<u>\$ 890,640</u>	<u>\$ 2,699,161</u>	<u>\$ 1,604,833</u>	<u>\$ 43,189</u>	<u>\$ (324,289)</u>	<u>\$ 11,535,943</u>

See independent auditor's report

Ability Housing, Inc. and Affiliates

SUPPLEMENTAL INFORMATION

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended December 31, 2020

	Ability Housing, Inc.	Ability Mayfair II, LLC	Ability Oakland II, LLC	Ability Mercy, LLC	Ability Londontowne, LLC	Gannet Pointe, Ltd.	Eliminations	Total
Cash flows from operating activities:	\$ 1,672,183	\$ (114,629)	\$ (272,497)	\$ (1,171,707)	\$ (955,624)	\$ (39,054)	\$ (364,703)	\$ (1,246,031)
Change in net assets without donor restrictions	550,052	310,170	226,343	967,729	505,246	10,892	(203,367)	2,367,065
Adjustments to reconcile change in net assets without donor restrictions to net cash, cash equivalents, and restricted cash provided by operating activities	-	-	-	9,851	8,475	-	-	18,326
Depreciation	1,601	-	3,590	88,740	137,358	-	-	231,289
Amortization	(290,460)	(90,364)	-	-	-	-	-	(380,824)
Debt forgiveness	3,408	-	-	-	-	-	-	3,408
Net write off of fixed assets	(322,155)	-	-	-	-	-	-	(322,155)
(Increase) decrease in operating assets	(1,072,635)	20,640	(10,630)	(42,148)	(113,573)	(4,135)	230,896	(991,585)
Grant and support receivable	28,281	(15,933)	(5,370)	56,762	(23,316)	-	-	40,424
Tenant and other receivables	18,116	-	-	-	-	-	-	18,116
Prepaid expenses	191,230	(45,528)	72,842	185,538	55,536	3,355	(229,189)	233,784
Other assets	17,536	1,789	2,031	23,070	21,550	-	-	65,976
Increase (decrease) in operating liabilities	97,784	(13,925)	450	5,342	87,512	-	-	177,163
Accounts payable and accrued expenses								
Security deposit liability								
Deferred revenue								
Net cash, cash equivalents, and restricted cash (used in) provided by operating activities	894,941	52,220	16,759	123,177	(276,836)	(28,942)	(566,363)	214,956

(continued)

Ability Housing, Inc. and Affiliates

SUPPLEMENTAL INFORMATION

CONSOLIDATING STATEMENT OF CASH FLOWS - CONTINUED

Year ended December 31, 2020

	Ability Housing, Inc.	Ability Mayfair II, LLC	Ability Oakland II, LLC	Ability Mercy, LLC	Ability Londontowne, LLC	Gannet Pointe, Ltd.	Eliminations	Total
Cash flows from investing activities:								
Purchases and expenditures on rental property	\$ (1,899,664)	\$ (15,375)	\$ -	\$ 359,412	\$ -	\$ (6,886,202)	\$ (405,076)	\$ (8,846,905)
Purchases of land	(145,145)	-	-	-	-	-	-	(145,145)
Construction costs paid	(880,420)	-	-	(1,634,755)	(829,704)	(320,169)	451,222	(3,213,826)
Payments on capitalized developer fees	-	-	-	-	(520,217)	-	520,217	-
Tax credit fees paid	-	-	-	-	(127,128)	-	-	(127,128)
Net cash, cash equivalents, and restricted cash (used in) provided by investing activities	(2,925,229)	(15,375)	-	(1,275,343)	(1,477,049)	(7,206,371)	566,363	(12,333,004)
Cash flows from financing activities:								
Proceeds from borrowings	4,805,143	-	-	2,686,055	1,629,549	5,326,386	-	14,447,133
Loan costs paid	(48,674)	-	-	(68,436)	(283,073)	-	-	(400,183)
Syndication costs paid	-	-	-	-	(27,500)	-	-	(27,500)
Bank overdraft	(59,535)	-	-	-	-	-	-	(59,535)
Repayment of debt	(423,662)	-	(34,109)	(2,571,609)	(985,863)	-	-	(4,015,243)
Contributions to consolidated subsidiaries - noncontrolling interest	-	-	-	2,821,320	2,253,020	2,883,812	-	7,958,152
Net cash, cash equivalents, and restricted cash provided by (used in) financing activities	4,273,272	-	(34,109)	2,867,330	2,586,133	8,210,198	-	17,902,824
Net (decrease) increase in cash, cash equivalents, and restricted cash	2,242,984	36,845	(17,350)	1,715,164	832,248	974,885	-	5,784,776
Cash, cash equivalents, and restricted cash, beginning of year	2,849,913	1,269,234	779,562	87,489	4,403	26,619	-	5,017,220
Cash, cash equivalents, and restricted cash, end of year	\$ 5,092,897	\$ 1,306,079	\$ 762,212	\$ 1,802,653	\$ 836,651	\$ 1,001,504	\$ -	\$ 10,801,996
Supplemental disclosure of cash flow information:								
Cash paid during the year for interest, net of amounts capitalized	\$ 131,188	\$ 168	\$ 78,143	\$ 563,156	\$ 227,978	7,309	\$ 192,433	\$ 1,200,375
Supplemental schedule of non-cash investing and financing activities								
Debt forgiveness	\$ (290,460)	\$ (165,750)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (456,210)
Deferred revenue	-	75,386	-	-	-	-	-	75,386
Debt forgiveness revenue	290,460	90,364	-	-	-	-	-	380,824
Capitalized developer fee	-	-	-	(76,147)	(55,561)	1,600,348	(568,070)	900,570
Rental property	(288,080)	-	-	(748,855)	173,493	(4,937,674)	973,146	(4,827,970)
Accrued expenses	-	-	-	-	-	35,862	(35,862)	-
Capitalized amortization	-	-	-	8,819	81,872	-	-	90,691
Construction costs payable	288,080	-	-	272,806	(409,207)	3,199,765	(369,214)	2,982,230
Construction in process	-	-	-	543,377	209,403	101,699	-	854,479
Capitalized interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report

Ability Housing, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE AND OTHER AWARDS

Year ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Program Period	CFDA CFAS Number	Award Amount	Expenditures	Transfer to Subrecipients
HUD Continuum of Care Program	12/1/19-11/30/20	14.267	\$ 1,158,680	\$ 1,158,680	\$ 218,168
HUD Continuum of Care Program	1/1/20-12/31/20	14.267	365,440	365,440	28,000
			1,524,120	1,524,120	246,168
Total Federal			1,524,120	1,524,120	246,168
State Financial Assistance					
Florida Department of Children & Families - Challenge Grant through Changing Homeless, Inc.	7/1/20-6/30/22	DP002 - AH	35,000	17,500	-
Mental Health & Substance Abuse Services through Lutheran Social Services	12/1/15-6/30/20	LS 044	714,439	48,244	-
Mental Health & Substance Abuse Services through Lutheran Social Services	7/1/20-6/30/23	ME 044	313,227	52,248	-
			1,062,666	117,992	-
Total Federal and State Assistance Programs			\$ 2,586,786	\$ 1,642,112	\$ 246,168

See notes to schedule of expenditures of federal awards, state financial assistance and other
awards and independent auditor's report

Ability Housing, Inc. and Affiliates

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE AND OTHER AWARDS

Year ended December 31, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, state financial assistance and other awards (the Schedule) includes the federal, state and other award activity of Ability Housing, Inc. and Affiliates under programs of the federal and state governments for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and as described in Chapter 10.650 Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of Ability Housing, Inc. and Affiliates, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, "Cost Principles for Non-Profit Organizations" and the cost principles contained in the Uniform Guidance.

Ability Housing, Inc. and Affiliates has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Ability Housing, Inc. and Affiliates

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Ability Housing, Inc. and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated April 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Ability Housing, Inc. and Affiliates' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ability Housing, Inc. and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Ability Housing, Inc. and Affiliates' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Ability Housing, Inc. and Affiliates' consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ability Housing, Inc. and Affiliates' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ability Housing, Inc. and Affiliates' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ability Housing, Inc. and Affiliates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tidwell Group, LLC

Atlanta, Georgia
April 21, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Ability Housing, Inc. and Affiliates,

Report on Compliance for Major Federal Program

We have audited Ability Housing, Inc. and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Ability Housing, Inc. and Affiliates' major federal program for the year ended December 31, 2020. Ability Housing, Inc. and Affiliates' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Ability Housing, Inc. and Affiliates' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Ability Housing, Inc. and Affiliates' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major program. However, our audit does not provide a legal determination of Ability Housing, Inc. and Affiliates' compliance.

Opinion on Major Federal Program

In our opinion, Ability Housing, Inc. and Affiliates complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of Ability Housing, Inc. and Affiliates is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ability Housing, Inc. and Affiliates' internal control over compliance with the requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ability Housing, Inc. and Affiliates' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of the federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of the federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a compliance requirement of the federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Tidwell Group, LLC

Atlanta, Georgia
April 21, 2021

Ability Housing, Inc. and Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2020

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Ability Housing, Inc. and Affiliates were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies related to the audit of the consolidated financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.
3. No instances of noncompliance material to the consolidated financial statements of Ability Housing, Inc. and Affiliates, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award program were disclosed in the Independent Auditor's Report on Compliance for Federal Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor's report on compliance for the major federal award program for Ability Housing, Inc. and Affiliates expresses an unmodified opinion.
6. There are no audit findings relative to the major federal award program for Ability Housing, Inc. and Affiliates.
7. The program tested as a major program included:
 - a. U.S. Department of Housing and Urban Development, Continuum of Care Programs, CFDA No. 14.267
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Ability Housing, Inc. and Affiliates qualified as a low-risk auditee.

Ability Housing, Inc. and Affiliates

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (UNAUDITED)

December 31, 2020

1. Audit Report, dated April 28, 2020, for the year ended December 31, 2019, issued by Tidwell Group, LLC.

Findings - Financial Statement Audit

None

Findings and Questioned Costs - Major Federal Awards Programs Audit

None

2. There were no reports issued by HUD OIG or other Federal agencies or contract administrators during the period covered by this audit.
3. There were no letters or reports issued by HUD management during the period covered by this audit.

Attachment L

Commitment and Support Letters

Due to timing of LGAO application deadline and when site control was acquired, we have not been able to gather our commitment letters from our financial institutional partners. We will have all commitment and support letters by our July 13th presentation.

Attachment M

Summary of Marketing

Affordable housing has an existential need, once we break ground and begin coverage of our reach to Alachua the buzz begins. We post large banners at the site with an info line. This line provides up to date information regarding the stages of development and requirements for residency. Once we reach a point in construction, we begin data collecting. We operate a phone line that allows prospective tenants to leave their information, a substantial database of potential renters is created.

At approximately 90 days to completion, we open a preleasing center it can either operate as an offsite office space or we utilize space on property away from construction. Our management company hires several leasing consultants to work manage the info line and database. A brief prequalify phone call takes place and those that prequalify are made an appointment with leasing staff to complete an application. The leasing staff are familiar with all compliance regulations, document retention and fair housing laws, they are also well versed in our low barrier mission driven housing approach and are able to house many that others simply cannot.

We will network with community boards, organizations and through social media. We work with local employers to provide information regarding our community to their employees. We have a large tenant base of first responders, teachers, and workforce housing. Many people that contribute to their community struggle to live within. Ability Housing bridges that gap, we take the steps necessary to provide housing at the heart of our neighborhoods.

The only issue we have had at the completion of our properties is not having enough housing to meet the demand. We continue to have waitlists at all our properties, and many have been in operation for over 10 years.

We plan to keep these properties affordable. The intention of Ability Housing is to provide permanent affordable housing for communities. The RFA for which we are applying for has an extensive compliance period and Ability Housing has the steadfast capacity to operate and maintain these developments in a sustainable way.

Attachment N

Ability Housing Staff

Employee	Title	FT/PT Status	Job Description as it pertains to this project.
Shannon L. Nazworth	President & CEO	Full Time	Provide high level oversight of all functions of development, ensure proposed development is best use of resources and fulfillment of AHI Mission. Sign all contracts, commitments and applications.
Andrew S. Fink	Property Development Manager	Full Time	Match sites to funding sources, oversee funding applications, Select development team, Develop site concept and plan, Write proforma, oversee Credit Underwriting, construction management.
Edward Washington	Property Acquisitions Manager	Full Time	Site acquisition, due diligence, Purchase and Sales Agreement.
Elizabeth Deutsch	Property Development Administrator	Full Time	Project timeline, applications for funding, credit underwriting and assist with all facets of development from acquisition - through application and CUR - Construction through Operations.
	Director of Programs	Full Time	MOU with service providers, negotiate contract with COC and Housing Network
Sheronda Holzendorf	Resident Engagement Administrator	Full Time	Development Placed in Service - provide continual high level services to and between residents and case managers, property managers and ownership. I.e, Tenant led association, resident programs and activities etc.
Onix Sosa	Asset Manager	Full Time	AHI full time oversight of property management team. Maintain compliance with all funding sources and maintain demographic database.
Gregory Williams	Director of Finance and Operations	Full Time	Provide oversight for financial and operational functions. Oversee Assistant Director of Finance and Asset Manager.
Melanie Owens	Assistant Director of Finance	Full Time	Requests for Construction Loan Advancements and all other financial requirements from start to finish.
Becky Montenegro	Finance Assistant	Full Time	Process invoices for vendors from Due Diligence through construction soft costs. Manage compliance documentation including but not limited to NTO, Releases, Vendor requirements (W9 and COIs)

Attachment O

Development Completed Since 2010

Name of Development	Location (City & State)	Development Experience Type	Total Number of Units	Year Completed
Mayfair Village Apartments	Jacksonville FL	Acquisition Rehab. Owner/Operator	83	2011
Renaissance Village Apartments	Jacksonville FL	Acquisition Rehab. Owner/Operator	52	2012
Oakland Terrace Apartments	Jacksonville FL	Acquisition Rehab. Owner/Operator	60	2013
Village on Wiley	Jacksonville FL	New Construction Owner/Operator	43	2015
Village on Mercy	Orlando, FL	New Construction Owner/Operator	166	2019
Village at Hyde Park	Jacksonville FL	New Construction Owner/Operator	80	2019
Wayne Densch Center	Orlando, FL	Acquisition Rehab. Owner/Operator	75	2019
Ozanam II	New Port Richey, FL	New Construction Developer Services Only	30	2020
Gannet Pointe	Kissimmee, FL	New Construction	80	2021
San Juan Village	Jacksonville, FL	Developed for outside owner	22	2021
Ozanam III	New Port Richey, FL	Developed for outside owner	30	2021

Attachment P

Business References

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904-548-2303

Shelly Burns

Smoak, Davis & Nixon
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Kyle Brown

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Attachment Q

Local Government References

Oren J. Henry, Director

Housing and Community Development Dept.

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City of Jacksonville

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