

HOUSING FINANCE AUTHORITY OF
MANATEE COUNTY, FLORIDA

435 12th Street West, Suite 117
Bradenton, Florida 34205
(877) 264-0334

MEMORANDUM

TO: Members of the Housing Finance Authority of Manatee County, Florida

FROM: Angela A. Abbott, Esquire

DATE: December 1, 2020

RE: Multifamily Senior Revenue Bonds, Series 2007
(Water's Edge of Bradenton Apartments Project)

The borrower will be taking out a HUD loan to refinance its debt at a reduced rate and expects that the referenced bonds will be paid off after August 1, 2021. The borrower and the bondholder representative have reached an agreement on a waiver of a prepayment type fee (of approximately \$1,000,000) associated with the early redemption of the bonds. While the borrower and bondholder representative initially took the position that the Authority's approval would not be required, Mark Mustian and I think this should be handled through a Supplemental Indenture to be signed by the Authority. When the bonds are paid, the Authority will lose its annual fee, defined below:

"Authority Fee" means (i) the bond financing administrative fee in the amount of \$50,275.00, to be paid on or before the Amendment Date; (ii) past due annual administration fee of \$110,416.31; (iii) advance payment of the semi-annual installments of the program administration fee due March 1, 2015 and September 1, 2015, of \$40,220.00, on or before the Amendment Date; and (iv) the annual program administration fee owed by the Company to the Authority, accruing from the date of reissuance of the Original 2007 Bonds, payable in advance in semi-annual installments on each March 1 and September 1, commencing on March 1, 2016 in the amount of \$20,110.00 for each semi-annual payment, equal to 20 basis points per annum of the original principal amount of the Reissued 2007 Bonds, provided that such Authority Fee does not include amounts due, if any, for extraordinary services and expenses of the Authority."

You may recall the difficulty the Authority had in the past collecting the fee. There is now an evergreen fund held by the Trustee to insure timely payment of the Authority's fee. The balance in the fund is currently \$80,440.

The Authority is being asked to approve Resolution No. 2020-03 and the First Supplement to the Trust Indenture. Also, the Authority needs to determine whether to charge a fee for the approval and if so, how much. Please bear in mind that the Authority may not arbitrarily withhold its consent or set a fee that is unreasonable.