

July 21, 2017

To: Bank of America Merrill Lynch, Banc of America Community Development Corporation, Seltzer Management, RBC Capital Markets Tax Credit Equity Group, Oak Grove Capital, The Housing Authority of the City of Tampa

The Tempo at Encore - Developer's Project Status Update – 14

Status Update:

- As previously reported, the owner terminated Berkley and Tron in accordance with the terms of the construction contract.
- The Tempo at Encore will complete the project through a third-party contractor, KAST Construction. The Construction Manager contract was executed on July 19, 2017.
- The ownership team and KAST have identified those sub contractors who will complete their contracts assumed by ownership at the time of termination. We continue to interview new subcontractors to replace those few sub contractors controlled by Siltek and those who are unable to complete the work in a manner satisfactory to the owner.
- Once we have final cost estimates to complete the work, the detail budget will be distributed.
- As discussed in the previous developer report, BACDC will fund any dollars needed to complete the project once we expend the approximate \$7.0MM remaining in the project budget. The BACDC funding will not have an impact on the project budget and will be treated as funding outside of the partnership.
- BACDC is procuring the Performance and Payment bond. We will distribute the P & P as soon as we receive it.
- The assessment and remediation of deficient work identified previously continues.
- We continue to work with the city building department to ensure the successful completion of the Tempo.
- Ownership and KAST have submitted a request to transfer permit form to the city of Tampa. We expect to receive the permit the week of July 24, 2017 at which time we can release subcontractors to commence work.
- We are finalizing the new schedule and we will issue the schedule within the next few weeks.

Please call me if you have any questions.

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