

After Recording Return to
Hernando County
Housing and Supportive Services
621 West Jefferson Street
Brooksville, FL 34601

Folio No. R32 423 18 0000 0230 0060

RESTRICTIVE COVENANT AGREEMENT

ON THIS ____ DAY OF _____, 2025 ("Effective Date"), this Restrictive Covenant Agreement (this "Agreement") is made by Hernando County, Florida, a political subdivision of the State of Florida, whose address is 15470 Flight Path Drive, Brooksville, Florida 34604, ("County"), and The Palms at Spring Hill, LLC a Florida limited liability company, whose address is 2730 Cumberland Blvd., SE, Smyrna, GA 30080 ("Owner") (each a "Party" and collectively, the "Parties");

WITNESSETH

WHEREAS, Owner is the owner in fee of that certain real property located on County Line Road in Hernando County, Florida legally described as **W275 FT OF E550 FT OF S800 FT OF SW1/4 OF SECTION 32 TOWNSHIP 23 SOUTH RANGE 18 EAST LESS R/W FOR COUNTY LINE ROAD & LESS R/W FOR QUALITY DR**, hereinafter the "Property"; and

WHEREAS, the Owner seeks to develop the Property as a 96-unit multifamily affordable rental development (the "Project"); and

WHEREAS, the County desires to contribute to the funding of the Project by providing approximately \$340,000.00 as a local government contribution to the Project (the "County Funding"); and

WHEREAS, the Owner is seeking to obtain a 9% tax credit award and/or other funding from Florida Housing Finance Corporation for the Project (together with the County Funding, collectively, the "Project Financing"); and

WHEREAS, in consideration of the County Funding and upon Owner's success in obtaining the Project Financing sufficient to proceed with the development of the Project, the Owner of the development and any and all heirs agree not to pursue the property tax exemptions available under the "Live Local Act" during the affordability period for the Project; and

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the County and the Owner do hereby contract and agree as follows:

1. RECITALS.

The recitals set forth above are true and correct and incorporated into this Agreement by reference.

2. PROPERTY.

The Property subject to this Agreement is described above.

3. RESTRICTION.

To the extent the Owner receives the County Funding in the amount of at least \$340,000.00 and Owner successfully obtains Project Financing sufficient to proceed with the development of the Project, then the Owner and any and all heirs agree not to pursue the property tax exemptions for the Property available under the "Live Local Act" during the duration of the Affordability Period as defined and established in Section 4 hereof.

4. AFFORDABILITY PERIOD.

The "Affordability Period" shall commence upon the issuance of the first certificate of occupancy for the Project, and end after a period of fifteen (15) years from the last certificate of occupancy for the Project.

5. COVENANTS RUN WITH THE LAND.

All conditions, covenants, and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by the County, its successors and assigns, against the Owner, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property or the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Property or the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Property or the Project. Prior to any transfer of interest in the Property or the Project, the Owner shall provide written notice to the County of the Owner's intent to transfer the Property or the Project in accordance with Section 9.

6. REPRESENTATIONS AND WARRANTIES OF OWNER.

The Owner warrants and represents that:

- a. The Owner has the full power, authority and capacity to enter into this Agreement and to carry out the Owner's obligations as described in this Agreement; and
- b. The execution and performance of this Agreement by the Owner will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Owner is a party or by which it or the Property is bound, and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

7. RECORDATION, EFFECTIVE DATE AND DURATION.

- a. This Agreement and any amendments hereto shall be recorded by the Owner in the Official Public Records of Hernando County, Florida, and the Owner shall pay all fees and charges incurred in connection therewith.

- b. This Agreement shall become effective as of the Effective Date set forth above.
- c. This Agreement and the restrictions provided herein shall run with the Property and shall remain in effect until the termination of this Agreement.
- d. Upon conclusion of the Affordability Period, the covenants herein shall be deemed satisfactorily complied with unless documents properly and timely recorded with the Hernando County Clerk of the Circuit Court indicate otherwise, and the County and the Owner will execute a recordable document further evidencing such termination.

8. MODIFICATION OF AGREEMENT.

The County and its successors and assigns and Owner and the successors and assigns of Owner in and to all or any part of the fee title to the Property, shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, conditions, or restrictions contained in this Agreement without the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust, or any other person or entity having any interest less than a fee in the Property. Any amendment or modification to this Agreement must be in writing and signed by the County and the Owner, or their successors and assigns.

9. NOTICE.

All notices which may be given pursuant to this Agreement shall be in writing and shall be delivered by personal service or by certified mail return receipt requested addressed to the parties at their respective addresses indicated below or as the same may be changed in writing from time to time. Any written notice referenced in this Agreement is deemed delivered three (3) business days after the date the sender sends such written notice to the recipient by U.S. certified mail, return-receipt-requested at the address shown above, or any changed address as provided for herein. Each party hereto is responsible to notify the other in writing of any change in address:

COUNTY:

Director
Housing and Supportive Services
621 West Jefferson Street
Brooksville, FL 34601

OWNER:

President
The Palms at Spring Hill, LLC
1408 N. Westshore Blvd.
Tampa, Florida 33607

10. TERMINATION.

This Agreement shall remain in full force and effect for a period of twenty (20) years from the Effective Date, unless early terminated in accordance with the express terms hereof, or the Parties agree, in writing, to terminate this Agreement. Any such early termination of this Agreement shall be recorded in the Public Records of Hernando County, Florida. This Agreement shall not be modified, amended, or terminated without the express written consent of the Parties. The Parties agree that if the Project Financing is not obtained by Owner or Owner otherwise does not proceed

with the development of the Project, then Owner may terminate this agreement by written notice to the County, and the County and the Owner will execute a recordable document further evidencing such termination.

11. CONSTRUCTION.

The Parties acknowledge that with respect to the transactions contemplated herein: (A) each party and its counsel has reviewed and approved this Agreement and that no term, covenant or provision of this Agreement shall be construed by any court, government, governmental authority or arbitration panel against any party hereto by reason of such party's being deemed to have drafted or structured such term, covenant or provision; (B) neither party has received from the other any accounting, tax, legal or other advice; and (C) each party has relied solely on the advice of its own accounting, tax, legal and other advisors.

12. ATTORNEY FEES AND COSTS; JURY TRIAL.

In connection with any litigation or court proceedings arising out of this Agreement, each Party shall be responsible for its own attorneys' fees and costs incurred in the prosecution or defense of such action, or in any post-judgment or collection proceedings and whether incurred before suit, at the trial level or at the appellate level. This shall include any bankruptcy proceedings. In the event of any such litigation or court proceedings, both Parties hereby waive their respective rights to a jury trial.

13. GOVERNING LAW AND VENUE.

This Agreement is governed by the laws of the State of Florida, regardless of conflict of law between jurisdictions. Any dispute or litigation arising out of this Agreement shall be brought in Hernando County, Florida

14. COUNTERPARTS.

This Agreement may be executed by all parties in multiple counterparts, each of which shall be deemed an original, but all such counterparts taken together shall constitute one and the same Agreement.

15. HEIRS AND ASSIGNS.

Wherever used herein, the terms "OWNER" shall include the heirs, personal representatives, successors and/or assigns of the respective parties hereto; the use of the singular number shall include the plural, and the plural the singular; the use of any gender shall include all genders.

16. SEVERABILITY.

If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired hereby.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this instrument to be executed in its name by its proper officials duly authorized on the date first written above.

OWNER:

The Palms at Spring Hill, LLC, a Florida limited liability company

By: 

Name: Stephen Bien

Title: Member

COUNTY:

HERNANDO COUNTY, a political subdivision of the State of Florida

By: _____

Name: Doug Chorvat Jr.

Title: Clerk of Court and Comptroller

By: _____

Name: _____

Title: Board of County Commissioners, Chairman

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: Michael Cowan
County Attorney's Office