

Florida Housing Finance Corporation

Credit Underwriting Report

Dade Oaks

**Multifamily Mortgage Revenue Bond Program
HOME Loan/Housing Credits**

2014-108B / 2014-295H

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and Housing Credit Contingencies**

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Prepared by

AmeriNational Community Services, Inc.

Final Report

June 2, 2014

Dade Oaks Apartments

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Section A
Report Summary

Recommendation

AmeriNational Community Services, Inc. (“AmeriNational”) recommends the issuance of a Multifamily Mortgage Revenue Bond (“MMRB”) in the amount of \$7,500,000, an award of HOME Investment Partnerships Program funding in the amount of \$3,300,000 under Request for Application 2013-010 – Financing of Affordable Multifamily Housing Developments with HOME funding to be used in conjunction with Florida Housing Issued MMRB Financing and Non-competitive Housing Credits (“RFA 2013-10”), and an annual 4% Housing Credit (“HC”) allocation of \$597,081 to Dade Oaks, LLC (“Applicant”) for the construction and permanent phase financing of Dade Oaks (the proposed “Development”).

DEVELOPMENT & SET-ASIDES

Development Name: Dade Oaks

Program Numbers: 2014-108B 2014-295H

15641 14th Street, +/- 900 feet
north of the intersection of Long
Address: Avenue and 14th Street City: Dade City Zip Code: 33523

County: Pasco County Size: Medium

Development Category: New Construction Development Type: Duplexes

Construction Type: Concrete construction

Demographic Commitment: Elderly: No Homeless: No ELI: 0 Units @ 0% AMI
Farmworker or Commercial Fish Worker: No Family: Yes Link: 0 Units

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1.0	1.0	4	750	50%	\$538	\$538	\$0	\$74	\$712	\$464	\$712	\$638	\$638	\$30,624
1.0	1.0	10	750	60%	\$646	\$0	\$683	\$74	\$712	\$572	\$712	\$638	\$638	\$76,560
2.0	2.0	4	1000	50%	\$646	\$648	\$0	\$85	\$825	\$561	\$825	\$740	\$740	\$35,520
2.0	2.0	19	1000	60%	\$775	\$0	\$821	\$85	\$825	\$690	\$825	\$740	\$740	\$168,720
3.0	2.0	3	1250	50%	\$746	\$749	\$0	\$91	\$1,060	\$655	\$1,060	\$969	\$969	\$34,884
3.0	2.0	14	1250	60%	\$895	\$0	\$940	\$91	\$1,060	\$804	\$1,060	\$969	\$969	\$162,792
4.0	2.0	3	1500	50%	\$832	\$836	\$0	\$115	\$1,138	\$717	\$1,138	\$1,148	\$1,148	\$41,328
4.0	2.0	12	1500	60%	\$999	\$0	\$1,030	\$115	\$1,138	\$884	\$1,138	\$1,148	\$1,148	\$165,312
		69	77250											\$715,740

Buildings: Residential - 35 Non-Residential - 0
Parking: Parking Spaces - 177 Accessible Spaces - 5

HOME Subsidy Limits:

14 One Bedroom units at \$91,351 = \$ 1,278,914
23 Two Bedroom units at \$111,082 = \$ 2,554,886
17 Three Bedroom units at \$143,703 = \$ 2,442,951
15 Four Bedroom units at \$157,742 = \$ 2,366,130
69 Total units for a maximum subsidy of: \$ 8,642,881

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Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
Bond	20.0%	14	50%	30
Bond	80.0%	55	60%	30
HOME	20.0%	14	50%	30
HOME	80.0%	55	60%	30
HC	20.0%	14	50%	30
HC	80.0%	55	60%	30

Absorption Rate: 15 units per month for 5 months.

Occupancy Rate at Stabilization: Physical Occupancy 95.00% Economic Occupancy 96.00%
Occupancy is based upon the estimates made in the
Occupancy Comments appraisal.

DDA?: Yes QCT?: No
Site Acreage: 13.28 Density: 5.2 units/acre Flood Zone Designation: C
MPUD - Master Planned Unit Development. The Board of County Commissioners of Pasco County approved zoning reclassification to allow for the construction of
Zoning: the Development's 69 units. Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Dade Oaks, LLC	% Ownership
General Partner 1:	Dade Oaks MM, LLC	0.01000%
Limited Partner 1:	Boston Capital Holdings, Limited Partnership, or its assigned affiliate	
Guarantor(s):	Dade Oaks, LLC	
	Dade Oaks MM, LLC	
	Gorman Employee Group Dade Oaks, LLC	
	Pasco County Florida Federally Assisted Housing, Inc.	
	Gorman & Company, Inc.	
	Gary J. Gorman	
Pvt Placement Purchaser:	RBC Tax Credit Equity, LLC	
Developer:	Gorman & Company, Inc.	
Principal 1	Gary J. Gorman	
General Contractor 1:	Gorman General Contractors, LLC	
Management Company:	Royal American Management, Inc.	
Syndicator:	Boston Capital Holdings, Limited Partnership	
Bond Issuer:	Florida Housing Finance Corporation	
Architect:	Gorman & Company, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Integra Realty Resources, Inc.	

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PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4		
Lender/Grantor	First Housing	FHFC	Pasco County	Pasco County		
Amount	\$4,500,000	\$3,300,000	\$1,250,000	\$500,000		
Underwritten Interest Rate	5.45%	0.00%	0.00%	0.00%		
All In Interest Rate	5.70%	0.2764%	0.00%	0.00%		
Loan Term	40	40	45	n/a		
Amortization	40	0	45	0		
Loan to Cost	29.62%	21.72%	8.23%	3.29%		
Debt Service Coverage	1.15	1.12	1.02	1.02		
Operating/Deficit Service Reserve	\$297,500					
Period of Operating Expenses/Deficit Reserve in Months	12					

Deferred Developer Fee	\$413,988
Land Value	\$329,900
Projected Net Operating Income (NOI) - Year 1	\$329,297
Projected Net Operating Income (NOI) - 15 Year	\$380,401
Year 15 Pro Forma Income Escalation Rate	2%
Year 15 Pro Forma Expense Escalation Rate	3%
Bond Structure	Private Placement
Housing Credit Syndication Price	\$0.95
Housing Credit Annual Allocation	\$597,081

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	RBC/First Housing	\$7,500,000	\$4,500,000	\$65,217
Second Mortgage - HOME	FHFC	\$3,300,000	\$3,300,000	\$47,826
Third Mortgage	Pasco County	\$0	\$1,250,000	\$18,116
SHIP Grant	Pasco County	\$500,000	\$500,000	\$7,246
HC Equity	RBC	\$3,345,830	\$5,227,860	\$75,766
Deferred Developer Fee	Developer	\$546,018	\$413,988	\$6,000
TOTAL		\$15,191,848	\$15,191,848	\$220,172

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	X	
Are all funding sources the same as shown in the Application?		1.
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?		2.
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		3.
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	X	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?		4.

The following are explanations of each item checked "No" in the table above:

1. In the application, the Applicant provided a HC equity letter of interest dated December 11, 2013 from RBC Tax Credit Equity, LLC, for a total HC equity commitment of \$4,651,974. Since the time of application, Boston Capital Holdings, Limited Partnership replaced RBC Tax Credit Equity, LLC as the syndicator of the HC. For further information, refer to the Construction and Permanent Financing Sources in the Overview.
2. AmeriNational engaged and received a Plan and Cost Review ("PCR") from Varian Associates, P.A. ("Varian") and their review was summarized in a report dated May 20, 2014. All features and amenities are included within the construction documents, except the exhaust fans in bathrooms were not specified as Energy Star rated. Varian also requested further details regarding the following items:

- The plans note the electric water heaters must meet minimum efficiency standards based on capacity; however, no specifications of the expected hot water heater capacity were provided.
- A schematic design for the tot lot equipment is shown on the plans. Further details would be required to confirm that the equipment is accessible to children with disabilities.

The Applicant has provided revised drawings, specifications, and product data information to address these issues. Confirmation from Varian that all features and amenities committed by the Applicant in the application and is acceptable in form and function to AmeriNational is a condition precedent to closing.

3. Total Development Costs have increased by \$909,126 since the Application due to increases in construction costs and financial costs. The Developer notes that the costs increased due to additional site work based upon the conclusions of the civil site engineer including additional grading and construction of retaining walls.
4. The Development is anticipated to replace an existing 69-unit, Section 8 development named Dade Oaks. To avoid future confusion and to aid in marketing the Development, the Applicant will petition Florida Housing to change the Development name from Dade Oaks as stated in the application to Hilltop Landings Apartments. The ownership interest identified in the application will remain. The name change is subject to approval from Florida Housing's Compliance Monitoring Department.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. Strong demand for affordable housing with a family demographic commitment exists within the submarket as evidenced by a capture rate of 3.4% for income-qualified households with the propensity to rent and weighted average occupancy rates of 98% for comparable properties.

Other Considerations:

None.

Issues and Concerns:

1. The proposed Development is anticipated to replace an existing 69-unit, Section 8 property located in Dade City, Pasco County, Florida. The existing development was built in 1982 and is located in what is reported to be a former lake bed. As a result, the property suffers from continual flooding. The existing buildings, club house and infrastructure are significantly damaged to a point that makes rehabilitation infeasible. The Applicant will apply to the U.S. Department of Housing and Urban Development ("HUD") to assign the Section 8 contract from the existing property to the proposed Development. According to the Applicant, federal regulations do not allow for any approvals to transfer the Section 8 contract until the units are ready for occupancy. AmeriNational used pro forma rents consistent to the Fair Market Rents illustrated in the appraisal. However, the transfer of the Section 8 contract is not a certainty and the Section 8 rents are considerably greater than the maximum allowable HOME and HC rents. According to the market study performed by Meridian Appraisal Group, Inc. ("Meridian"), the development will not achieve the maximum High HOME restricted rents on the one-, two-, and

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three-bedroom units. Therefore, if the Applicant fails to secure the transfer of the Section 8 contract, the Applicant will receive significantly less than the underwritten net operating income which may require financial restructuring.

Mitigant: A commitment from HUD for a Section 8 contract transfer and long term extension for the Development supporting the rents included herein is a Special Condition for the MMRB and HOME loan closing.

Waiver Requests:

None

Special Conditions:

1. Receipt and satisfactory review of an appraisal containing the Appraiser's opinion of the market value of the restricted rent and market rent scenarios is a condition precedent to the MMRB and HOME loan closing.
2. Audited financial statements, financial statements compiled or reviewed by a licensed Certified Public Accountant, or unaudited financial statements prepared by an independent licensed Certified Public Accountant within the last 90 days for Mr. Gorman is a Special Condition to the MMRB and HOME loan closing.
3. A firm commitment for the purchase of the bonds with terms and conditions that are not substantially different than those utilized in this credit underwriting report is a Special Condition to the MMRB and HOME loan closing.
4. A firm commitment from HUD for the proposed 221(d)(4) financing with terms and conditions that are not substantially different than those utilized in this credit underwriting report is a Special Condition to the MMRB and HOME loan closing.
5. An unexecuted Construction Contract has been provided. HUD regulations require that the Construction Contract be executed at the Permanent Loan closing. Receipt of the executed Construction Contract is a condition precedent to the first construction draw following the closing draw.

Additional Information:

None.

Recommendation:

AmeriNational recommends the issuance of MMRB in the amount of \$7,500,000, an award of HOME funding under Request for Application 2013-010 in the amount of \$3,300,000, and an annual 4% HC allocation of \$597,081 to the Applicant for the construction and permanent phase financing of the proposed Development.

When utilizing a 1.00 to 1.00 debt service coverage ratio required by the State Board of Administration in their fiscal sufficiency determination, the current net operating income at the current interest rate would support a permanent tax-exempt bond amount of \$5,180,000.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A), and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Multifamily Mortgage Revenue Bond and HOME Loan Conditions and HC Contingencies (Section

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B). This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:



Kyle Kuenn
Credit Underwriter

Reviewed by:



Mark Fredericks
Senior Vice President

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
First Mortgage	RBC	\$7,500,000	\$7,500,000	\$7,500,000	1.47%	\$545,500
Second Mortgage	FHFC	\$3,300,000	\$3,300,000	\$3,300,000	0.00%	\$0
Third Mortgage	Pasco County	\$1,250,000	\$1,250,000	\$0	0.00%	
SHIP Grant	Pasco County	\$500,000	\$500,000	\$500,000	0.00%	
HC Equity	RBC	\$1,860,790	\$1,860,790	\$3,345,830		
Deferred Developer Fee	Developer		\$673,578	\$546,018		
Total :		\$14,410,790	\$15,084,368	\$15,191,848		\$545,500

Proposed First Mortgage Loan:

FHFC will issue \$7,500,000 of MMRB for the benefit of the Applicant to construct the Development. According to a Letter of Interest dated December 10, 2013, the Bonds will be purchased by RBC Capital Markets, LLC ("RBC"). The MMRB will require semiannual interest payments based upon an interest rate estimated to be 0.65%. AmeriNational added 24 basis points ("bps") for the Issuer Fee, 4 bps for Issuer Compliance Fee, 4 bps for the Trustee Fee, and 50 bps for an underwriting cushion to derive the "all-in" interest rate of 1.47%. The MMRB will have a term of up to 30 months with optional redemption available any time after 12 months at a price of par plus accrued interest. The MMRB shall be redeemed with a combination of funds from a permanent loan to be provided by First Housing Financing Corporation of Florida, Inc. ("First Housing"), HC equity and local subsidy. As draw requests are presented and approved, proceeds from the Bond purchase will be distributed by the Trustee and a like kind amount of the First Housing loan, HC equity or local subsidy will be deposited in an escrow account pledged to the repayment of the Bonds.

Simultaneously with the MMRB closing, First Housing will make a loan in the amount of \$4,500,000 based upon First Housings estimates with the intent to secure mortgage insurance from HUD via the MAP Program under Section 221(d)(4) of the National Housing Act ("Permanent Loan"). The Applicant provided a letter dated December 16, 2013 prepared and executed by First Housing that illustrates the terms and conditions of the Permanent Loan. Interest only payments will be based upon a variable interest rate estimated to be equal to 5.00% plus 45 bps for Mortgage Insurance Principal ("MIP"). AmeriNational added 25 bps for an underwriting cushion to derive the "all-in" interest rate of 5.70% during the construction phase.

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Proposed Second Mortgage Loan – RFA 2013-010 HOME Investment Partnerships (HOME):

The Applicant submitted an application in response to FHFC’s Request for Applications 2013-010 (“RFA 2013-010”) for Financing of Affordable Multifamily Housing Developments with HOME Funding to be used in conjunction with FHFC issued MMRB and non-competitive Housing Credits requesting \$3,300,000 of HOME funding. The Applicant requested the HOME loan be co-terminus with the permanent first mortgage. The FHFC Board of Directors determined an interest rate of 0% for all HOME loans issued under RFA 2013-010 at the December 13, 2013 FHFC Board of Directors meeting.

Proposed Third Mortgage Loan - Neighborhood Stabilization Plan 2 (“NSP2”) and HOME Investment Partnerships (HOME):

The Pasco County Board of County Commissioners at their December 3, 2013 meeting approved an allocation of \$1,250,000 of NSP2 and HOME. The Applicant provided a letter dated May 15, 2014 from Pasco County and executed by Community Development Manager, George Romagnoli, that illustrates the terms of the NSP2/HOME loan. Pasco County will provide the funds as a fully-amortized, 0% interest loan with a 45-year term. The annual payments will begin the fifth year after the Development achieves stabilized occupancy and will be subject to available cash flow due to HUD restrictions. AmeriNational estimates these funds will be utilized to pay down the MMRB and will not be necessary during construction.

Proposed SHIP Grant:

The Applicant provided an Agreement with Pasco County Housing Authority for the Reconstruction of the Dade Oaks Apartments dated January 17, 2014 that states Pasco County agrees to provide \$500,000 of SHIP funds to the PCHA for the benefit of the Applicant to construct and own the Development. The \$500,000 grant will be contributed through the non-managing member, Pasco County Florida Federally Assisted Housing, Inc.

Additional Construction Sources of Funds:

The Applicant will receive a net equity contribution of \$5,227,860 from an affiliated entity of Boston Capital Holdings, Limited Partnership (“BCH”) for a 99.99% interest in the Applicant in return for a proportionate share of the total HC allocation estimated by BCH to be \$5,532,680. The HC allocation will be syndicated at a rate of \$0.945 for each \$1.00 of tax credits delivered. A total of \$1,045,572 will be funded at construction loan closing, which is an amount sufficient to meet the 15% criteria. A total of \$3,345,830 will be contributed by BCH during the construction period.

Deferred Developer Fee:

The Applicant will be required to defer \$546,018 of the total developer fee during the construction phase.

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Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
First Mortgage	First Housing	\$4,580,700	\$4,500,000	\$4,500,000	5.70%	40	40	\$285,901
Second Mortgage	FHFC	\$3,300,000	\$3,300,000	\$3,300,000	0.2764%	n/a	40	\$9,121
Third Mortgage	Pasco County	\$1,250,000	\$1,250,000	\$1,250,000	0.00%	45	45	\$27,778
SHIP Grant	Pasco County	\$500,000	\$500,000	\$500,000	0.00%			
HC Equity	RBC	\$4,651,974	\$5,505,460	\$5,227,860				
Deferred Developer Fee	Developer	\$48	\$28,908	\$413,988				
Total :		\$14,282,722	\$15,084,368	\$15,191,848				\$322,800

Proposed First Mortgage Loan:

The Applicant provided a letter dated December 16, 2013 prepared and executed by First Housing that illustrates the terms and conditions of the \$4,500,000 Permanent Loan. Terms and conditions of the First Mortgage Loan include a term and amortization period of 40 years with principal and interest payments calculated based upon an interest rate to be determined at rate lock. AmeriNational estimates an "all-in" interest rate equal to 5.70% based upon the estimated cost of funds of 5.00%, Mortgage Insurance Premium of 45 bps as required by HUD, and a 25 bps underwriting cushion.

Proposed Second Mortgage Loan – RFA 2013-010 HOME Investment Partnerships (HOME):

The Applicant submitted an application in response to Florida Housing's Request for Applications 2013-010 for Financing of Affordable Multifamily Housing Developments with HOME Funding to be used in conjunction with FHFC issued MMRB and non-competitive Housing Credits requesting \$3,300,000 of HOME funding. The Applicant requested the HOME loan be co-terminus with the permanent first mortgage at which time the HOME loan will be due and payable. The FHFC Board of Directors determined an interest rate of 0% for all HOME loans issued under RFA 2013-010 at the December 13, 2013 FHFC Board of Directors meeting. Annual payments of all applicable fees will be required. Fees include Servicing Fees (25 bps, or \$8,250, with a minimum annual payment of \$2,400) and Compliance Monitoring Fees (\$871 or 2.639 bps). The Compliance Monitoring Fee shall be adjusted January 1 of each year, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th. This automatic increase shall not exceed 3% of the prior year's fee. Inclusive of all applicable fees, AmeriNational underwrites an "all-in" interest rate of 0.2764%.

Proposed Third Mortgage Loan - Neighborhood Stabilization Plan 2 ("NSP2") and HOME Investment Partnerships (HOME):

The Pasco County Board of County Commissioners at their December 3, 2013 meeting approved an allocation of \$1,250,000 of NSP2 and HOME. The Applicant provided a letter dated May 15, 2014 from Pasco County and executed by Community Development Manager, George Romagnoli, that illustrates the terms of the NSP2/HOME loan. Pasco County will provide the funds as a fully-amortized, 0% interest loan with a 45-year term. The annual payments will begin the fifth year after the Development achieves stabilized occupancy and will be subject to available cash flow due to HUD restrictions. AmeriNational estimates these funds will be utilized to pay down the MMRB and will not be necessary during construction.

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Proposed SHIP Grant:

The Applicant provided an Agreement with Pasco County Housing Authority for the Reconstruction of the Dade Oaks Apartments dated January 17, 2014 that states Pasco County agrees to provide \$500,000 of SHIP funds to the PCHA for the benefit of the Applicant to construct and own the Development. The \$500,000 grant will be contributed through the non-managing member, Pasco County Florida Federally Assisted Housing, Inc.

Additional Permanent Sources of Funds:

According to a syndication letter of interest dated May 12, 2014 between BCH and the Applicant, BCH, through an affiliated entity, will provide a net equity investment of \$5,227,860 in exchange for a 99.99% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by BCH to be \$5,532,680. The HC equity contributions are estimated to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$1,045,572	20.00%	Latter of admittance of the limited partner, closing of the construction financing, receipt of the permanent financing commitment, and tax credit reservation.
2nd Installment	\$1,045,572	20.00%	Achievement of 50% Construction Completion.
3rd Installment	\$1,254,686	24.00%	Achievement of 75% Construction Completion.
4th Installment	\$836,458	16.00%	The date of Construction Completion.
5th Installment	\$784,179	15.00%	Later of initial 100% occupancy, cost certification, and closing of the permanent loan.
6th Installment	\$261,393	5.00%	Latter of rental achievement and State Designation.
Total:	\$5,227,860	100%	

Annual Credits Per Syndication Agreement	\$553,268
Total Credits Per Syndication Agreement	\$5,532,680
Calculated HC Rate:	\$0.945
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$3,345,830

Deferred Developer Fee:

The Applicant will be required to permanently defer \$413,988 of the total developer fee after stabilization.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accessory Buildings	\$0	\$36,755	\$36,750	\$533	\$0	\$0
Demolition	\$15,000	\$0	\$0	\$0	\$0	\$0
New Rental Units	\$7,866,909	\$6,481,239	\$6,484,044	\$93,972	\$0	\$0
Site Work	\$0	\$1,719,817	\$1,717,017	\$24,884	\$0	\$0
General Conditions	\$0	\$494,272	\$494,271	\$7,163	\$0	\$0
Overhead	\$0	\$174,641	\$174,641	\$2,531	\$0	\$0
Profit	\$1,066,261	\$484,630	\$484,631	\$7,024	\$0	\$0
Payment and Performance Bonds	\$0	\$92,449	\$92,449	\$1,340	\$0	\$92,449
Total Construction Contract/Costs	\$8,948,170	\$9,483,803	\$9,483,803	\$137,446	\$0	\$92,449
Hard Cost Contingency	\$440,000	\$381,551	\$414,690	\$6,010	\$0	\$0
Total Construction Costs:	\$9,388,170	\$9,865,354	\$9,898,493	\$143,456	\$0	\$92,449

Notes to Actual Construction Costs:

1. An unexecuted Standard Form of Agreement Between the Owner and Contractor where the basis of payment is a stated to be a lump sum in the amount \$9,483,803 (the "Construction Contract") has been provided. The Construction Contract was entered into as of April 29, 2014 and is made between the Applicant and Gorman General Contractors, LLC (the "General Contractor"). It contains a production schedule indicating completion within 394 days from the date of commencement. Retainage shall be withheld from the monthly draws at a rate of ten percent (10%) of the value of the work until the Development is 50 percent complete. At 50 percent completion, no additional retainage will be held from the remaining draws, which meets the minimum requirements of Rule Chapters 67-21 and 67-48 F.A.C. The unexecuted construction contract included the required Davis Bacon and Section 3 addendums, applicable Wage Determinations and HUD Form 4010.

HUD regulations require that the Construction Contract be executed at the Permanent Loan closing. Receipt of the executed Construction Contract is a condition precedent to the first construction draw following the closing draw.

2. A plan and cost review was engaged by AmeriNational and performed by Varian Associates, P.A. Varian summarized their review and conclusions in a report dated May 20, 2014. Varian reviewed the Construction Contract and concludes the overall construction budget is ample to complete the proposed improvements. The consultant indicates the project cost per square foot (\$125.28) exceeds the range in comparable developments (\$74). According to the consultant, there are a few contributing factors to explain the excess costs: 1) Unique site conditions – A steeply sloped site which requires extra grading and retaining walls. Varian concludes that while the cost allocation for the site work is high, it is in an appropriate amount; 2) Section 3 requirements – Varian notes restrictions on bid awards may have marginally increased costs for portions of the work; 3) Prevailing wages – Varian notes requirements to pay prevailing wages may have inflated the costs for some otherwise competitive construction trade categories; and 4) Small unit sizes- Varian notes that due to smaller unit sizes, they expect higher than normal costs in a per-square foot basis comparison.
3. AmeriNational included a 5% hard cost contingency of the total construction contract which is within the maximum for new construction per Rule Chapters 67-21 and 67-48 F.A.C. was utilized by AmeriNational and is supported by the plan and cost review. However, there is a Working Capital Reserve included in the Financial Cost Section. Per HUD guidelines half of this amount is available for construction contingency and was removed from the hard cost contingency line item.

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4. General Contractor's Fee (consisting of general requirements, overhead, and profit) is within the industry standards of 14.0% and is within the maximum permitted by Rule Chapters 67-21 and 67-48 F.A.C. The General Contractor's Fee is calculated exclusive of payment and performance bonds and insurance.
5. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract, but its cost is exclusive of the Construction Contract's schedule of values.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accounting Fees	\$75,000	\$80,711	\$50,000	\$725	\$0	\$0
Appraisal	\$12,500	\$5,000	\$5,000	\$72	\$0	\$0
Architect's Fee - Site/Building Design	\$439,700	\$448,680	\$300,000	\$4,348	\$0	\$0
Architect's Fee - Supervision	\$0	\$85,820	\$30,000	\$435	\$0	\$0
Building Permits	\$67,000	\$35,000	\$35,000	\$507	\$0	\$0
Builder's Risk Insurance	\$113,300	\$50,250	\$50,250	\$728	\$0	\$0
Engineering Fees	\$105,000	\$0	\$24,650	\$357	\$0	\$0
Environmental Report	\$22,500	\$3,200	\$3,200	\$46	\$0	\$0
FHFC Administrative Fees	\$42,781	\$42,781	\$47,766	\$692	\$47,766	\$47,766
FHFC Application Fee	\$6,500	\$6,500	\$6,500	\$94	\$6,500	\$6,500
FHFC Credit Underwriting Fee	\$122,752	\$122,752	\$22,241	\$322	\$122,752	\$122,752
FHFC HC Compliance Fee (HC)	\$103,666	\$103,666	\$106,394	\$1,542	\$106,394	\$106,394
Impact Fee	\$0	\$0	\$0	\$0	\$0	\$0
Lender Inspection Fees / Const Admin	\$27,000	\$50,000	\$31,530	\$457	\$0	\$0
Insurance	\$0	\$39,000	\$39,000	\$565	\$0	\$0
Legal Fees	\$200,000	\$299,200	\$299,200	\$4,336	\$150,000	\$0
Market Study	\$8,500	\$8,500	\$5,000	\$72	\$5,000	\$0
Marketing and Advertising	\$45,000	\$0	\$0	\$0	\$0	\$0
Plan and Cost Review Analysis	\$0	\$14,617	\$19,342	\$280	\$0	\$0
Property Taxes	\$61,181	\$50,000	\$50,000	\$725	\$0	\$0
Soil Test	\$0	\$19,800	\$19,800	\$287	\$0	\$0
Survey	\$35,000	\$18,000	\$18,000	\$261	\$0	\$0
Title Insurance and Recording Fees	\$48,875	\$84,503	\$84,503	\$1,225	\$75,000	\$0
Utility Connection Fees	\$0	\$21,231	\$21,231	\$308	\$0	\$0
Soft Cost Contingency	\$0	\$0	\$0	\$0	\$0	\$0
Other: Organizational Expense	\$0	\$6,632	\$6,632	\$96	\$6,632	\$0
Total General Development Costs:	\$1,536,255	\$1,595,843	\$1,275,239	\$18,482	\$520,044	\$283,412

Notes to the General Development Costs:

1. AmeriNational reflects an amount of accounting fees that are deemed reasonable.
2. AmeriNational reflects actual costs for the appraisal, market study, and plan and cost review analysis.
3. AmeriNational reflects the costs associated with the Architect's fees as stated in an executed Schedule of Architectural Services between Gorman & Company, Inc. and the Applicant dated March 26, 2014. The Applicant signed an additional Architect contract with GLE Associates, Inc. for the supervision during construction.
4. AmeriNational reflects the costs associated with the Engineering fees as stated in an executed letters for separate services between Coastal Design Consultants, Inc. and the Applicant for engineering services dated July 3, 2013.
5. Pasco County has waived the impact fees for the Development as the redevelopment of Dade Oaks will preserve affordable housing in Pasco County.
6. AmeriNational estimated the costs associated with the Application to Florida Housing Finance Corporation ("FHFC") for 4% Tax Credits.

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7. HUD guidelines require a Working Capital Reserve, which has been incorporated in the Financial Cost Section. Per HUD guidelines half of this amount is available to defray any shortfalls for items included as general development costs. This amount is within the 5% of total general development costs as if it has been underwritten as a soft cost contingency in accordance with Rule Chapters 67-21 and 67-48 F.A.C.
8. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Construction Loan Origination Fee	\$200,000	\$0	\$0	\$0	\$0	\$0
Construction Loan Interest	\$300,000	\$300,000	\$325,000	\$4,710	\$32,327	\$0
Permanent Loan Origination Fee	\$150,000	\$121,500	\$121,500	\$1,761	\$121,500	\$121,500
FHFC Bond Origination Fee	\$0	\$0	\$30,000	\$435	\$0	\$30,000
FHFC Bond Credit Enhancement Fee	\$200,000	\$0	\$0	\$0	\$0	\$0
FHFC Bond Closing Costs	\$0	\$118,866	\$118,866	\$1,723	\$0	\$118,866
FHFC Bond Interest	\$0	\$0	\$220,500	\$3,196	\$0	\$0
Reserves - Operating Deficit	\$0	\$347,500	\$297,500	\$4,312	\$0	\$297,500
Working Capital Reserve	\$0	\$90,000	\$119,000	\$1,725	\$0	\$90,000
FHA MIP (Prepayment)	\$0	\$40,500	\$40,500	\$587	\$0	\$40,500
FHA Exam Fee	\$0	\$36,000	\$36,000	\$522	\$0	\$36,000
Other: Syndication Costs	\$50,000	\$0	\$0	\$0	\$0	\$0
Other: FHFC Redemption Fee	\$0	\$0	\$18,750	\$272	\$0	\$18,750
Other: Transition Reserve	\$0	\$138,905	\$138,905	\$2,013	\$0	\$138,905
Total Financial Costs:	\$900,000	\$1,193,271	\$1,466,521	\$21,254	\$153,827	\$892,021

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the letters of intent for equity and construction and permanent financing and appear reasonable to AmeriNational.
2. An interest reserve for the Construction Loan is supported by the Permanent Loan rate illustrated in the letter provided by First Housing, the duration of construction referenced in the Construction Contract, the absorption period estimated in the market study and the resultant calculation completed by AmeriNational through the use of a construction draw schedule.
3. An FHFC Bond interest reserve is supported by the MMRB Loan rate illustrated in the Construction Financing Sources, the duration the MMRB will be outstanding and the resultant calculation completed by AmeriNational through the use of a construction draw schedule.
4. The letter provided by First Housing that outlines the terms and conditions for which HUD will provide mortgage insurance requires Working Capital Reserve of \$90,000, FHA MIP prepayment fee of \$40,500, and FHA Exam fee of \$36,000.
5. The letter provided by BCH that outlines the terms and conditions requires a minimum operating deficit reserve of \$297,500.
6. The FHFC Bond Closing Cost is associated with the MMRB and includes certain origination and multiple legal counsel fees, as well as syndication fees. The costs are based upon financing commitments and term sheet(s).
7. The Transition Reserve is equal to an estimate by the Applicant for relocating the tenants of the existing Section 8 development to the Development after the transfer of the Section 8 contract to the Development. Since transferring the Section 8 contract will displace the tenants with the use of a federal source of funds (HOME loan), the Transition Reserve expenses will be reimbursed under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The estimate appears reasonable to the underwriter.

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OTHER DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Development Cost Before Developer Fee	\$11,824,425	\$11,058,625	\$12,640,253	\$183,192	\$673,871	\$1,267,882
Developer Fee	\$2,128,397	\$2,100,000	\$2,221,695	\$32,198	\$0	\$0
Total Other Development Costs:	\$2,128,397	\$2,100,000	\$2,221,695	\$32,198	\$0	\$0

Notes to the Other Development Costs:

1. Developer Fee of \$2,221,695 is calculated at 18% of of Development Costs before Land excluding the Operating Deficit Reserve and is within the limits for tax exempt bond transactions permitted by Rule Chapter 67-21 F.A.C.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Land	\$329,900	\$329,900	\$329,900	\$4,781	\$329,900	\$0
Total Acquisition Costs:	\$329,900	\$329,900	\$329,900	\$4,781	\$329,900	\$0

Notes to Land Acquisition Costs:

1. The land was purchased by the Applicant as evidenced by Warranty deeds executed as of February 27, 2014. The warranty deeds indicate a purchase price of \$329,900.
2. An Appraisal performed by Integra Realty Resources, Inc. identifies an "as is" value of the land of \$330,000 which supports the purchase price.

TOTAL DEVELOPMENT COSTS:	\$14,282,722	\$15,084,368	\$15,191,848	\$220,172	\$1,003,771	\$1,267,882
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Notes to Total Development Costs:

1. Total Development Costs have increased by \$909,126 since the Application due to increases in construction costs and financial costs.
2. AmeriNational initially projected Total Development Costs less land acquisition cost of \$208,109 per unit, which was not within the limit of \$206,000 per unit established by FHFC for garden style, new construction developments in the Modification of RFA 2013-010. However, the cost per unit is within the escalation factor of 1.8 percent and did not warrant any further adjustment.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$715,740	\$10,373
	Rent Subsidy (ODR)		\$0
	Other Income		\$0
	Ancillary Income	\$4,968	\$72
	Gross Potential Income	\$720,708	\$10,445
	Less:		
	Economic Loss Percentage: 1.00%	\$7,207	\$104
	Physical Vac. Loss Percentage: 5.00%	\$36,035	\$522
Total Effective Gross Income	\$677,466	\$9,818	
EXPENSES:	Fixed:		
	Real Estate Taxes	\$58,650	\$850
	Insurance	\$38,985	\$565
	Variable:		
	Management Fee Percentage: 5.00%	\$33,873	\$491
	General and Administrative	\$23,460	\$340
	Payroll Expenses	\$96,600	\$1,400
	Utilities	\$25,530	\$370
	Marketing and Advertising	\$5,175	\$75
	Maintenance and Repairs/Pest Control	\$30,015	\$435
	Grounds Maintenance and Landscaping	\$15,180	\$220
	Reserve for Replacements	\$20,700	\$300
Total Expenses	\$348,168	\$5,046	
Net Operating Income	\$329,297	\$4,772	
Debt Service Payments			
First Mortgage - 221(d)(4)	\$285,901	\$4,143	
Second Mortgage - HOME	\$9,121	\$132	
Third Mortgage - NSP	\$27,778	\$403	
Fourth Mortgage - SHIP	\$0	\$0	
Total Debt Service Payments	\$322,800	\$4,678	
Cash Flow after Debt Service	\$6,497	\$94	
	Annual	Per Unit	
Debt Service Coverage Ratios			
DSC - First Mortgage	1.15	1.15	
DSC - Second Mortgage	1.12	1.12	
DSC - Third Mortgage	1.02	1.02	
DSC - Fourth Mortgage	1.02	1.02	
DSC - All Mortgages and Fees	1.02	1.02	
Financial Ratios			
Operating Expense Ratio	51.39%		
Break-even Economic Occupancy Ratio (all debt)	93.10%		

Notes to the Operating Pro forma and Ratios:

1. Gross Potential Rental Revenue is based upon estimated Section 8 rents presented in the appraisal. The rent roll also reflects LIHTC rents effective as of December 27, 2013 for 2014 per the FHFC website and HOME Rent Limits for the Tampa-St.Petersburg-Clearwater, FL MSA published by HUD as of May 1, 2014. The estimated utility allowances are \$74 for one-bedroom, \$85 for two-bedroom, \$91 for three-bedroom units and \$115 for four-bedroom units and were based on the utility allowance chart of the Pasco County Housing Authority as presented in the appraisal. A rent roll for the Development property is illustrated in the following table:

MSA (County): Tampa-St. Petersburg-Clearwater, FL MSA (Pasco)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1.0	1.0	4	750	50%	\$538	\$538	\$0	\$74	\$712	\$464	\$712	\$638	\$638	\$30,624
1.0	1.0	10	750	60%	\$646	\$0	\$683	\$74	\$712	\$572	\$712	\$638	\$638	\$76,560
2.0	2.0	4	1000	50%	\$646	\$648	\$0	\$85	\$825	\$561	\$825	\$740	\$740	\$35,520
2.0	2.0	19	1000	60%	\$775	\$0	\$821	\$85	\$825	\$690	\$825	\$740	\$740	\$168,720
3.0	2.0	3	1250	50%	\$746	\$749	\$0	\$91	\$1,060	\$655	\$1,060	\$969	\$969	\$34,884
3.0	2.0	14	1250	60%	\$895	\$0	\$940	\$91	\$1,060	\$804	\$1,060	\$969	\$969	\$162,792
4.0	2.0	3	1500	50%	\$832	\$836	\$0	\$115	\$1,138	\$717	\$1,138	\$1,148	\$1,148	\$41,328
4.0	2.0	12	1500	60%	\$999	\$0	\$1,030	\$115	\$1,138	\$884	\$1,138	\$1,148	\$1,148	\$165,312
		69	77250											\$715,740

The 23 Low HOME units committed to in the Applicant's response to FHFC's RFA 2013-010 were spread equally throughout the Development's unit mix.

2. A 6.0% vacancy and collection loss rate was concluded by the appraisal based on comparables in the market. AmeriNational relied upon this figure for underwriting purposes.
3. Other Income is comprised of fees associated with washer/dryer rentals, bulk cable, and other income related to multifamily operations.
4. AmeriNational utilized a real estate tax expense of \$850 per unit based upon the current millage rate for the municipality and an estimated assessment of \$49,819 per unit presented by the appraiser. The estimate also took into account the income restrictions of the Development.
5. AmeriNational utilized an estimate of \$565 per unit for insurance, which is consistent with the appraisal and the comparable developments. The Development will be located in a flood zone designated "C", which appears to lie outside of the 100-year flood plain and does not require flood insurance.
6. The Applicant has submitted a Management Agreement executed as of April 30, 2014 between Royal American Management, Inc. ("RAM") and the Applicant. The agreement states the initial term will be for three years, but is subject to adjustment by the General Partner. The Agreement provides for compensation to the Management Company in the amount of \$3,208.50, the appraisal included a management fee of 5% which is supported by comparable properties in the market; therefore, a more conservative management fee of 5% was utilized for underwriting purposes.
7. Replacement Reserves of \$300 per unit per year are required by Rule Chapters 67-21 and 67-48 F.A.C. and is considered reasonable by AmeriNational.
8. Based upon an estimated Net Operating Income ("NOI") of \$329,297 for the proposed development's initial year of stabilized operations; the first mortgage loan can be supported by

operations at a 1.15 to 1.00 Debt Service Coverage (“DSC”). The combined amount of all mortgage loans and fees yields a DSC ratio of 1.02 to 1.00 in the initial year of operations.

9. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

Section B

**Multifamily Mortgage Revenue Bond and HOME Loan Conditions and HC
Contingencies**

Special Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and the Servicer, at least 30 days prior to real estate loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the loan closing date.

1. Receipt and satisfactory review of an appraisal containing the Appraiser's opinion of the market value of the restricted rent and market rent scenarios.
2. Audited financial statements, financial statements compiled or reviewed by a licensed Certified Public Accountant, or unaudited financial statements prepared by an independent licensed Certified Public Accountant within the last 90 days for Mr. Gorman
3. A firm commitment for the purchase of the bonds with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
4. A firm commitment from HUD for the proposed 221(d)(4) financing with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
5. A commitment from HUD for a Section 8 contract transfer and long term extension for the Development supporting the rents included herein.

General Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and the Servicer at least 30 days prior to real estate loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the bond pricing date. For competitive bond sales, these items must be reviewed and approved prior to issuance of the Notice of Bond Sale.

1. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
2. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
3. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.

4. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. MMRB Program loan proceeds shall be disbursed pro-rata with other funding sources during the construction period, unless otherwise approved by the Credit Underwriter. HOME Program loan proceeds shall be disbursed during the construction phase in an amount per Draw that does not exceed the ratio of the HOME loan to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
5. During construction/rehabilitation, the developer is only allowed to draw a maximum of 50% of the total developer fee (developer fee minus acquisition developer fee) during construction/rehabilitation, but in no case more than the payable developer fee, which is determined to be "developer's overhead". No more than 35% of "developer's overhead" during construction/rehabilitation will be allowed to be disbursed at closing. The remainder of the "developer's overhead" will be disbursed during the construction/rehabilitation on a pro rata basis, based on the percentage of completion of the Development, as approved by FHFC and Servicer. The remaining unpaid developer fee shall be considered attributable to "developer's profit" and may not be funded until the development has achieved 100% lien-free completion and retainage has been released.
6. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, with coverages, deductibles and amounts satisfactory to Florida Housing.
7. If the development is not 100% lien-free completed, a 100% Payment and Performance Bond or a Letter of Credit (LOC) in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the GC and the Borrower. In either case, Florida Housing must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co with a financial size category of at least FSC VI. FHFC, and/or Legal Counsel must approve the source, amount(s), and all terms of the P&P bonds, or LOC. If the LOC option is utilized, the LOC must include "evergreen" language and be in a form satisfactory to the Servicer, Florida Housing, and its Legal Counsel.
8. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.
9. A copy of the Amended and Restated Limited Partnership Agreement ("LPA") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The LPA shall be in a form and of financial substance satisfactory to Servicer, Florida Housing, and its Legal Counsel.
10. Satisfactory resolution of any outstanding past due or non-compliance issues by closing of the loan(s).

This recommendation is contingent upon the review and approval by Florida Housing, and its Legal Counsel at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this timeframe may result in postponement of the bond pricing date. For competitive bond sales, these items must be reviewed and approved prior to issuance of the notice of bond sale.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of MMRB and HOME loan closings, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the MMRB and HOME loan(s) naming Florida Housing as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of general liability, flood (if applicable), builder's risk, and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, in coverage, deductibles and amounts satisfactory to Florida Housing.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, and of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
 - c. The loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
 - e. Such other matters as Florida Housing or its legal counsel may require.
8. Evidence of compliance with local concurrency laws, if applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by counsel.
10. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all provisions of Sections 420.507 and 420.509, Florida Statutes, Rule Chapter 67-21, F. A. C., Sections 420.507(22) and 420.5087, Florida Statutes, Rule Chapter 67-53, F.A.C., Rule Chapter 67-48, F.A.C., Rule Chapter 67-60, F.A.C., RFP 2013-010, and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRB and HOME loan(s) in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement(s), the Mortgage and Security Agreement, and the Land Use Restriction Agreement(s).
3. MMRB Program Loan: All amounts necessary to complete construction must be deposited with the Bond Trustee prior to Loan Closing, or any phased pay-in of amount necessary to complete construction shall be contingent upon an unconditional obligation, through a Joint Funding Agreement or other mechanism acceptable to Florida Housing, of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at Loan Closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded.
4. If applicable, receipt and satisfactory review of financial statements from all guarantors dated within 90 days of real estate closing.
5. If applicable, Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
6. Guarantors are to provide the standard FHFC Operating Deficit Guaranty to be released upon achievement of an average 1.15 Debt Service Coverage on the combined First Mortgage (Permanent Loan) and HOME Loan, 90% occupancy and 90% of Gross Potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA"). Notwithstanding the above, the Operating Deficit Guarantee shall not terminate earlier than three years following the final certificate of occupancy.
7. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
9. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the MMRB and HOME loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the Bond Trustee or the Servicer. In the event the reserve account is held by the Servicer, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves. New construction developments shall not be allowed to draw during the first five (5) years after closing or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The reserve shall be adjusted based on a capital needs assessment beginning no later than the 10th year after the first residential building receives a certificate of

occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier (“Initial Replacement Reserve Date”). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.

12. Varian Associates, P.A. will act as Florida Housing’s inspector during the construction period.
13. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy.
14. Completion of a Davis-Bacon Federal Labor Standards pre-construction conference.
15. Satisfactory evidence of compliance with the Davis-Bacon Act, Section 3, and other applicable Federal Labor standards during the construction of this development. Evidence of compliance must be through satisfactory completion of a compliance audit by Florida Housing and its authorized subcontractor.
16. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
17. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

HC Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by AmeriNational and FHFC by the deadline established in the Preliminary Determination. Failure to resolve these contingencies within this timeframe may result in forfeiture of the HC allocation:

1. Closing of the MMRB and HOME loan consistent with the assumptions of this credit underwriting report.
2. Receipt and satisfactory resolution of any outstanding past due items or non-compliance issues according to the FHFC Past Due and/or Non-Compliance Reports.
3. Any other reasonable requirements of FHFC or AmeriNational.

MMRB, HOME AND HC CREDIT UNDERWRITING REPORT

ACS

Exhibit 1
Dade Oaks
15 Year Operating Pro forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$715,740	\$730,055	\$744,656	\$759,549	\$774,740	\$790,235	\$806,039	\$822,160	\$838,603	\$855,376	\$872,483	\$889,933	\$907,731	\$925,886	\$944,404
	Other Income															
	Ancillary Income	\$4,968	\$5,067	\$5,169	\$5,272	\$5,378	\$5,485	\$5,595	\$5,707	\$5,821	\$5,937	\$6,056	\$6,177	\$6,301	\$6,427	\$6,555
	Gross Potential Income	\$720,708	\$735,122	\$749,825	\$764,821	\$780,118	\$795,720	\$811,634	\$827,867	\$844,424	\$861,313	\$878,539	\$896,110	\$914,032	\$932,313	\$950,959
	Less:															
	Economic Loss Percentage: 1.00%	\$7,207	\$7,351	\$7,498	\$7,648	\$7,801	\$7,957	\$8,116	\$8,279	\$8,444	\$8,613	\$8,785	\$8,961	\$9,140	\$9,323	\$9,510
	Physical Vac. Loss Percentage: 5.00%	\$36,035	\$36,756	\$37,491	\$38,241	\$39,006	\$39,786	\$40,582	\$41,393	\$42,221	\$43,066	\$43,927	\$44,805	\$45,702	\$46,616	\$47,548
Total Effective Gross Income	\$677,466	\$691,015	\$704,835	\$718,932	\$733,310	\$747,977	\$762,936	\$778,195	\$793,759	\$809,634	\$825,827	\$842,343	\$859,190	\$876,374	\$893,901	
EXPENSES:	Fixed:															
	Real Estate Taxes	\$58,650	\$60,410	\$62,222	\$64,088	\$66,011	\$67,991	\$70,031	\$72,132	\$74,296	\$76,525	\$78,821	\$81,185	\$83,621	\$86,130	\$88,713
	Insurance	\$38,985	\$40,155	\$41,359	\$42,600	\$43,878	\$45,194	\$46,550	\$47,947	\$49,385	\$50,867	\$52,393	\$53,964	\$55,583	\$57,251	\$58,968
	Variable:															
	Management Fee Percentage: 5.00%	\$33,873	\$34,551	\$35,242	\$35,947	\$36,666	\$37,399	\$38,147	\$38,910	\$39,688	\$40,482	\$41,291	\$42,117	\$42,960	\$43,819	\$44,695
	General and Administrative	\$23,460	\$24,164	\$24,889	\$25,635	\$26,404	\$27,197	\$28,012	\$28,853	\$29,718	\$30,610	\$31,528	\$32,474	\$33,448	\$34,452	\$35,485
	Payroll Expenses	\$96,600	\$99,498	\$102,483	\$105,557	\$108,724	\$111,986	\$115,345	\$118,806	\$122,370	\$126,041	\$129,822	\$133,717	\$137,729	\$141,860	\$146,116
	Utilities	\$25,530	\$26,296	\$27,085	\$27,897	\$28,734	\$29,596	\$30,484	\$31,399	\$32,341	\$33,311	\$34,310	\$35,339	\$36,400	\$37,492	\$38,616
	Marketing and Advertising	\$5,175	\$5,330	\$5,490	\$5,655	\$5,825	\$5,999	\$6,179	\$6,365	\$6,556	\$6,752	\$6,955	\$7,163	\$7,378	\$7,600	\$7,828
	Maintenance and Repairs/Pest Control	\$30,015	\$30,915	\$31,843	\$32,798	\$33,782	\$34,796	\$35,839	\$36,915	\$38,022	\$39,163	\$40,338	\$41,548	\$42,794	\$44,078	\$45,400
	Grounds Maintenance and Landscaping	\$15,180	\$15,635	\$16,104	\$16,588	\$17,085	\$17,598	\$18,126	\$18,669	\$19,230	\$19,806	\$20,401	\$21,013	\$21,643	\$22,292	\$22,961
	Reserve for Replacements	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$21,321	\$21,961	\$22,619	\$23,298	\$23,997	\$24,717
	Total Expenses	\$348,168	\$357,654	\$367,417	\$377,466	\$387,809	\$398,456	\$409,415	\$420,695	\$432,305	\$444,878	\$457,819	\$471,141	\$484,854	\$498,970	\$513,501
Net Operating Income	\$329,297	\$333,361	\$337,418	\$341,466	\$345,501	\$349,521	\$353,522	\$357,500	\$361,454	\$364,756	\$368,008	\$371,202	\$374,336	\$377,404	\$380,401	
Debt Service Payments																
First Mortgage - 221(d)(4)	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	\$285,901	
Second Mortgage - HOME	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	\$9,121	
Third Mortgage - NSP	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	\$27,778	
Fourth Mortgage - SHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	\$322,800	
Cash Flow after Debt Service	\$6,497	\$10,561	\$14,618	\$18,666	\$22,701	\$26,721	\$30,721	\$34,700	\$38,653	\$41,956	\$45,207	\$48,402	\$51,536	\$54,604	\$57,600	
Debt Service Coverage Ratios																
DSC - First Mortgage	1.15	1.17	1.18	1.19	1.21	1.22	1.24	1.25	1.26	1.28	1.29	1.30	1.31	1.32	1.33	
DSC - Second Mortgage	1.12	1.13	1.14	1.16	1.17	1.18	1.20	1.21	1.23	1.24	1.25	1.26	1.27	1.28	1.29	
DSC - Third Mortgage	1.02	1.03	1.05	1.06	1.07	1.08	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	
DSC - Fourth Mortgage	1.02	1.03	1.05	1.06	1.07	1.08	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	
DSC - All Mortgages and Fees	1.02	1.03	1.05	1.06	1.07	1.08	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	
Financial Ratios																
Operating Expense Ratio	51.39%	51.76%	52.13%	52.50%	52.88%	53.27%	53.66%	54.06%	54.46%	54.95%	55.44%	55.93%	56.43%	56.94%	57.44%	
Break-even Economic Occupancy Ratio (all debt)	93.10%	92.56%	92.05%	91.56%	91.09%	90.64%	90.21%	89.81%	89.42%	89.13%	88.85%	88.60%	88.36%	88.14%	87.94%	

Exhibit 2
Dade Oaks (2014-295H/2014-108B)
Pasco County

Description of Features and Amenities

A. *The Development will consist of:*

69 units located in 35 residential building.

Unit Mix:

Fourteen (14) one bedroom/one bath units containing 750 square feet of heated and cooled living area; and

Twenty-three (23) two bedroom/two bath units containing 1,000 square feet of heated and cooled living area; and

Seventeen (17) three bedroom/two bath units containing 1,250 square feet of heated and cooled living area; and

Fifteen (15) four bedroom/two bath units containing 1,500 square feet of heated and cooled living area.

69 Total Units

The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act ("ADA"), as applicable.

B. The Applicant commits to provide the following Optional Features and Amenities for All Developments:

1. Community center or clubhouse.
2. Playground/tot lot, accessible to children with disabilities (must be sized in proportion to Development's size and expected resident population with age-appropriate equipment).
3. Two or more parking spaces per total number of units.

C. The Applicant has committed to provide the following Green Building Features:

1. Programmable thermostat in each unit.

2. Energy Star exhaust fans in bathrooms.
 3. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications in each unit:

Toilets: 1.6 gallons/flush or less; and
Faucets: 1.5 gallons/minute or less; and
Showerheads: 2.2 gallons/minute or less.
 4. Low-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint).
 5. Minimum SEER of 14 for unit air conditioners.
- D.** The Applicant has committed to provide the following Qualified Resident Program:
1. Resident Activities – These specified activities are planned, arranged, provided and paid for by the Applicant or its Management Company and held between the hours of 9:00 a.m. and 9:00 p.m. These activities must be an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children’s special functions, etc.
- E.** The Applicant has committed to provide the following General Features and Accessibility, Universal Design and Visitability Features:
1. Termite prevention;
 2. Pest control;
 3. Window covering for each window and glass door inside each unit;
 4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development’s residents from a primary provider of cable or satellite TV;
 5. Full-size range and oven in all units;
 6. At least two full bathrooms in all 3 bedroom or larger new construction units;
 7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units; and,
 8. Provide reinforced walls for future installation of grab bars that meet or exceed 2010 ADA Standards for Accessible Design around each tub/shower unit in each dwelling unit.
- F.** The Applicant has committed to meet all federal requirements and state building code requirements, including the following:
1. 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
 2. The Fair Housing Act as implemented by 24 CFR 100;

3. Section 504 of the Rehabilitation Act of 1973; and,
 4. Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules.
- G. The Applicant has committed to provide the following features in units that are located on an accessible route :
1. Primary entrance door shall have a threshold with no more than a ½-inch rise;
 2. All door handles on primary entrance door and interior doors must have lever handles;
 3. Lever handles on all bathroom faucets and kitchen sink faucets;
 4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and,
 5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- H. The Applicant has committed to provide the following General Features and Green Building Features:
1. Provide reinforced walls for future installation of grab bars that meet or exceed 2010 ADA Standards for Accessible Design around each tub/shower unit in each dwelling unit. At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.
- I. The Applicant has committed to provide the following Green Building Features:
1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
 2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
Toilets: 1.6 gallons/flush or less,
Faucets: 1.5 gallons/minute or less, and
Showerheads: 2.2 gallons/minute or less;
 3. Energy Star qualified refrigerator
 4. Energy Star qualified dishwasher
 5. Water heating minimum efficiency specifications (choose gas, electric, gas tankless, or boiler/hot water maker):
Gas:
30 gal = .63 EF; or
40 gal = .61 EF; or

50 gal = .59 EF; or
60 gal = .57 EF; or
70 gal = .55 EF; or
80 gal = .53 EF; or

Electric:

30 gal = .94 EF; or
40 gal = .93 EF; or
50 gal = .92 EF; or
60 gal = .91 EF; or
70 gal = .90 EF; or
80 gal = .89 EF; or

Tankless gas water heater: minimum .80 EF; or

Boiler or hot water maker:

< 300,000 Btu/h: 85% Et (thermal efficiency); or
300,000 Btu/h or higher: 80% Et;

Energy Star qualified ceiling fans with lighting fixtures in bedrooms;

Air Conditioning minimum efficiency specifications (choose in-unit or commercial):

In-unit air conditioning: minimum 14 SEER; or

Central chiller AC system—based on size:

0-65 KBtuh: Energy Star certified
>65-135 KBtuh: 11.3 EER/11.5 IPLV
>135-240 KBtuh: 11.0 EER/11.5 IPLV
>240 KBtuh: 10.6 EER/11.2 IPLV

Exhibit 3
HC Allocation Calculation

Section I – Qualified Basis Calculation

Total Development Cost	\$15,191,848
Less Land Costs	\$329,900
Less Federal Grants	\$500,000
Less Other Ineligible Costs	\$673,871
Total Eligible Basis	\$13,688,077
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$17,794,500
Housing Credit Percentage (Federal allocation)	3.42%
Annual Housing Credit Allocation	\$608,572

Notes to the Eligible Basis Calculation:

1. The Development has a 100% set-aside; therefore, the applicable fraction is 100%.
2. The Development is located in a Difficult Development Area (“DDA”); therefore, a 130% basis credit was applied.
3. The Housing Credit percentage are 3.42% based on the rate for 4% non-competitive tax credits as of the date of the Applicant’s invitation into enter credit underwriting at risk (3.27%) plus 15 basis points.

Section II - Gap Calculation

Total Development Cost (including land and ineligible costs)	\$15,191,848
Less Mortgages	\$9,050,000
Less Grants	\$500,000
Equity Gap	\$5,641,848
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.945
HC Required to meet Equity Gap	\$5,970,807
Annual HC Required	\$597,081

Notes to the Gap Calculation:

1. The Mortgage amounts include the MMRB allocation, Florida Housing HOME loan, and Pasco County loans.
2. The HC Syndication Percentage to the Investment Partnership and Syndication Pricing are based upon the firm commitment letter dated December 10, 2013 by RBC.

Section III - Tax Credit 50% Test

Total DEPRECIABLE Cost	\$14,188,077
Plus: Land Cost	\$329,900
Equals Aggregate Basis	\$14,517,977
Tax Exempt Bond Amount	\$7,500,000
Plus GIC Income	\$0
LESS Debt Service Reserve	\$0
LESS Tax Exempt Proceeds Used for Cost of Issuance	\$0
Equals Tax Exempt Proceeds Used for Building and Land	\$7,500,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	51.66%

Notes to the Tax Credit 50% Test:

1. Based upon this analysis, the 50% Test is satisfactory.

Section IV – Summary

HC Per Qualified Basis	\$608,572
HC Per GAP Calculation	\$597,081
Annual HC Recommended	\$597,081

Notes to the Summary:

1. The Annual HC recommended is based upon the lower of the Qualified Basis or Gap Calculation; therefore, the Qualified Basis applies.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Dade Oaks
DATE: June 2, 2014

In accordance with the applicable Program Rule(s), the Applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the HFAPBC. The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Applicant that the transaction can close within the allowed timeframe. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Unsatis.	1
4. Pre-construction analysis ("PCA").	Unsatis.	2
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Unsatis.	3
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Unsatis.	4
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	

COMPLETENESS AND ISSUES CHECKLIST

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
20. Executed general construction contract with "not to exceed" costs.	Unsatis.	5
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND DEVELOPER RESPONSES:

1. Permits will be submitted as they are received by the Developer.
2. A final plan and cost review acceptable in form and function to AmeriNational is a condition precedent to closing.
3. Receipt and satisfactory review of an appraisal containing the Appraiser's opinion of the market value of the restricted rent and market rent scenarios is a condition precedent to the MMRB and HOME loan closing.
4. Audited financial statements, financial statements compiled or reviewed by a licensed Certified Public Accountant, or unaudited financial statements prepared by an independent licensed Certified Public Accountant within the last 90 days for Mr. Gorman is a Special Condition to the MMRB and HOME loan closing.
5. An unexecuted Construction Contract has been provided. HUD regulations require that the Construction Contract be executed at the Permanent Loan closing.