

SELTZER MANAGEMENT GROUP, INC.

17633 ASHLEY DRIVE  
PANAMA CITY BEACH, FL 32413  
TEL: (850) 233-3616  
FAX: (850) 233-1429

October 16, 2014

VIA EMAIL

Mr. Ken Reecy  
Florida Housing Finance Corporation  
City Centre Building  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

RE: RFA 2013-006 – Financing to Build Permanent Supportive Housing for Homeless  
Persons and Families  
Pinellas Hope IV – 2014-156G

Dear Mr. Reecy:

At the request of the Florida Housing Finance Corporation (“Florida Housing”), Seltzer Management Group, Inc. (“SMG” or “Seltzer”) has reviewed the response to Request for Application from the Applicant, Catholic Charities Housing, Inc. The Applicant is requesting funding in the amount of \$1,470,622 of grant funds for the purpose of leasing property and constructing 15 units of housing. Applicants proposing developments of this size are required to provide 100% of units as Permanent Supportive Housing to serve Chronically Homeless Persons or Households with Persistent Housing Instability.

**DEVELOPMENT & SET-ASIDES**

Development Name: Pinellas Hope IV

Program Numbers: 2014-156G

Address: 5726 126th Avenue North City: Clearwater Zip Code: 33762

County: Pinellas County Size: Large

Development Category: New Construction Development Type: Garden Style Apartments

Construction Type: Wood frame on wood floor joists on raised concrete block piers

Demographic Commitment: Elderly: No Homeless: Yes ELI: 8 Units @ 40% AMI

Farmworker or Commercial Fish Worker: No Family: No Link: 0 Units

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
Grant	50.0%	8	40%	20
Grant	50.0%	7	60%	20

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 2

The Applicant will lease the property and construct 16 units in one garden style building, 15 units for residential use and one unit for a leasing office, computer lab and fitness center. Due to the close proximity of wetlands to the building, construction will be on raised concrete block piers. A picnic pavilion and outdoor fitness area will be constructed off-site in the center of a parking area/driveway loop. As the building is not adjacent to the parking lot, handicap ramps and sidewalks connecting the building and site with the parking and amenities area will be built off site (between other future buildings) and governed by a Reciprocal Easement. The Applicant will set aside 8 units for extremely low income ("ELI") households (person or persons) earning 40% or less of the area median income ("AMI") and 7 units for households earning 60% or less of the AMI for an affordability period of 20 years.

**Sources of Funds**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Term Yrs.	Annual Debt
Grant	FHFC	\$1,373,122	\$1,348,068	\$1,348,218	0.00%	N/A	\$0
ELI Loan	FHFC	\$0	\$0	\$0	0.00%	N/A	\$0
Gap Grant-ODR	FHFC	\$97,500	\$97,500	\$0	0.00%	N/A	\$0
Def. Developer OH	Developer	\$0	\$0	\$0			
Additional Equity	Developer	\$0	\$0	\$0			
<b>Total</b>		<b>\$1,470,622</b>	<b>\$1,445,568</b>	<b>\$1,348,218</b>			<b>\$0</b>

**Grant**

Applicant requested total grant funding of \$1,470,622 and indicated in its application source and use schedule that \$97,500 of that amount was for an operating deficit reserve ("ODR") based on \$6,500 per residential unit as set forth in the RFA. However, as discussed in the Operating Pro forma section hereinafter, the estimated operating budget does not indicate an operating deficit, therefore, no reserve will be funded. Removal of the ODR reduces the grant amount to \$1,348,218 which is sufficient to construct the property as proposed.

Terms and conditions of the Grant funding will be embodied in the Restrictive Covenant and Grant Agreement and recorded in the public records of the County wherein the development is located. Violation of any material term or condition of the documents evidencing or securing the Grant shall constitute a default. The Grant funding is revocable if the Grant funds are used for any purpose not permitted under the Request for Application or Restrictive Covenant and Grant Agreement or if funds were awarded or disbursed to Grantee based upon fraud or misrepresentation committed by the Grantee during the Compliance Period.

**Other Funds**

No other funding sources are identified for this development.

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 3

**Uses of Funds**

General Construction Contract:

	<b>Applicant Total Costs</b>	<b>Applicant Revised Total Costs</b>	<b>Underwriter Total Costs</b>
<b>Actual Construction Costs</b>			
New Rental Units	\$1,003,000	\$756,209	\$756,209
Recreational Amenities	\$0	\$57,022	\$57,022
Site Work	\$0	\$66,600	\$66,600
Contractor's Fee (Not to Exceed 14%)	\$0	\$123,169	\$123,169
Total Construction Contract	\$1,003,000	\$1,003,000	\$1,003,000
Other - Hard Cost Contingency	\$0	\$50,150	\$50,150
<b>Total Actual Construction Costs</b>	<b>\$1,003,000</b>	<b>\$1,053,150</b>	<b>\$1,053,150</b>

The Applicant has provided a Standard Form of Agreement Between Owner and Contractor (AIA Document A102-2007) where the basis of payment is "Cost of the Work plus a Fee with a Guaranteed Maximum Price" between Catholic Charities Housing, Inc. and General Home Development Corporation of Pinellas, Inc. dated October 16, 2014. The Applicant also provided a Schedule of Values indicating a hard cost budget of \$879,831 plus fees of \$123,169 for a total of \$1,003,000. An Addendum to Agreement between Owner and Contractor dated October 16, 2014, AIA A201-1997 General Conditions and an Owner's Addendum to 1997 General Conditions were also provided. The date of commencement will be fixed in a Notice to Proceed and substantial completion must be achieved within 270 days therefrom. Retainage is 10% until 50% construction completion and 0% thereafter which is within FHFC guidelines.

General contractor fees are within the 14% maximum per RFA. The Hard Cost Contingency for this development is equal to 5% of the total construction contract.

GHD has contracted directly with Aurora Civil Engineering, Inc. as civil engineer for the development via a Proposal dated March 27, 2014 and revised May 9, 2014 to segregate the costs for only Pinellas Hope IV. Likewise, GHD has contracted directly with Arkay Engineering as Architect and Structural Engineer under contract dated June 23, 2014.

Features and Amenities:

The Applicant committed to provide certain features and amenities in Section Four F and G of the RFA. A Description of these Features and Amenities, both required and committed to be provided by the Applicant, is attached hereto as Exhibit A.

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 4

General Development Costs:

	<b>Applicant Total Costs</b>	<b>Applicant Revised Total Costs</b>	<b>Underwriter Total Costs</b>
Accounting	\$2,500	\$2,500	\$2,500
Appraisal	\$6,000	\$0	\$0
Architect & Planning	\$12,000	\$18,512	\$18,512
Building Permits	\$9,250	\$10,911	\$10,911
Builders Risk Insurance	\$15,000	\$15,000	\$15,000
Engineering Fees	\$0	\$15,700	\$15,700
Environmental Report	\$3,500	\$900	\$900
FHFC Credit Underwriting Fee	\$6,000	\$6,000	\$6,000
FHFC- HC Compliance Fees	\$10,000	\$10,000	\$10,000
Impact Fees	\$35,750	\$35,750	\$35,750
Inspection Fees/Construction Admin.	\$2,520	\$2,520	\$2,920
Insurance	\$5,000	\$5,000	\$5,000
Legal Fees	\$10,000	\$15,000	\$15,000
Pre-Constr. Analysis / Existing Prop. Eval	\$0	\$900	\$900
Property Taxes	\$5,000	\$0	\$0
Soil Test	\$3,000	\$4,662	\$4,662
Survey	\$6,000	\$10,000	\$10,000
Title Insurance	\$17,500	\$17,500	\$17,500
Other: PLP Misc. Soft Costs	\$0	\$432	\$432
Other: Extension Fee	\$0	\$250	\$0
Contingency	\$59,700	\$7,481	\$7,481
<b>Total General Development Costs</b>	<b>\$208,720</b>	<b>\$179,018</b>	<b>\$179,168</b>

Applicant's estimates of general development costs appear reasonable at this time. It is noted that Applicant secured a Predevelopment Loan from Florida Housing on Phase III of Pinellas Hope; however, Phase III was subsequently divided into Phases III, IV, and V. The predevelopment costs have been prorated based on building size and those costs attributable to Phase IV (one building) are reflected in this budget.

Financial Costs:

	<b>Applicant Total Costs</b>	<b>Applicant Revised Total Costs</b>	<b>Underwriter Total Costs</b>
Grant Commitment Fee	\$2,000	\$2,000	\$2,000
Reserves-Operating Deficit	\$97,500	\$97,500	\$0
<b>Total Financial Costs</b>	<b>\$99,500</b>	<b>\$99,500</b>	<b>\$2,000</b>

A grant commitment fee equal to 1% of the amount of the entire funding request, up to a maximum of \$2,000, is to be paid at closing. The fee for Pinellas Hope IV is \$2,000.

Pursuant to the RFA an operating deficit reserve of \$6,500 per unit is an allowable use of funding. However, the estimated operating budget does not indicate an operating deficit, and there are enough other sources to fully fund the proposed uses, therefore, no reserve will be funded.

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 5

Other Development and Acquisition Costs:

	<b>Applicant Total Costs</b>	<b>Applicant Revised Total Costs</b>	<b>Underwriter Total Costs</b>
Developer Overhead	\$119,402	\$113,900	\$113,900
Land Acquisition/Lease	\$40,000	\$0	\$0
<b>Total Development Cost</b>	<b>\$1,470,622</b>	<b>\$1,445,568</b>	<b>\$1,348,218</b>

Developer overhead does not exceed 10% of development costs as defined in the RFA.

The Applicant submitted a Lease Agreement between Miserere Guild, Inc. as Lessor, and Robert N. Lynch, as Bishop of the Diocese of St. Petersburg, a corporation sole, as Lessee, dated September 1, 2007 to lease vacant property known as Pinellas Farms Lot 6 and a part of Lot 7 consisting of approximately 10 acres for a term beginning September 1, 2007 for a term of one year for \$1.00 annually with added consideration being the indemnity from Lessee to Lessor. An Addendum to Lease and Option Agreement dated May 20, 2008 amended the Lease Agreement to include the use of the Premises for affordable housing; to grant to Lessee an option to lease the property for an additional term of 50 years, said option to be exercised by delivering written notice on or before August 1, 2008, and upon exercising this option the lease shall have a term of 50 years from September 1, 2008. A Second Addendum to Lease Agreement dated April 29, 2009 modified the legal description to be Pinellas Hope Tract 1 and Tract 2 and prohibit construction, ingress or egress within the Southerly 200' of the legal description without prior written consent of Lessor. A Third Addendum to Lease Agreement dated June 1, 2009 provides that the paragraph 4 of the Addendum is amended to provide that the term shall expire 50 years and one month from the date the Certificate of Occupancy has been issued for the improvements being constructed. A Memorandum of Lease Agreement dated July 29, 2009 was executed in order to place a Memorandum of the Agreement in the public records of the County and specifically states the term is 50 years and one month from the date the Certificate of Occupancy has been issued for the improvements being constructed. A Fourth Addendum to Lease Agreement dated October 1, 2010 again modifies the legal description of the lease premises. An Amended Memorandum of Lease Agreement dated October 26, 2010 reiterating the lease term and noting that the Lessor consents to a sublease in favor of Catholic Charities Housing, Inc.

In companion with the above referenced documents and containing identical terms the following was submitted to evidence a Sub-Lease: A Lease Agreement between Robert N. Lynch, as Bishop of the Diocese of St. Petersburg a corporation sole, as Lessor, and Catholic Charities, Diocese of St. Petersburg, Inc. as Lessee, dated September 1, 2007; an Addendum to Lease and Option Agreement dated May 20, 2008; a Second Addendum to Lease Agreement dated April 29, 2009; a Third Addendum to Lease Agreement dated June 1, 2009; a Memorandum of Lease Agreement dated July 29, 2009; a Fourth Addendum to Lease Agreement dated October 1, 2010; and an Amended Memorandum of Lease Agreement dated October 26, 2010.

An Assignment of Lease dated May 1, 2009 from Catholic Charities, Diocese of St. Petersburg, Inc. assigns all of its rights under the Sub-Lease, as amended, to Catholic Charities Housing, Inc. as Assignee and Assignee assumes all obligations thereunder. Consent to the Assignment is evidenced by the signature of Robert N. Lynch, as Bishop of the Diocese of St. Petersburg.

**Third Party Reports**

Appraisal: Due to the property being secured under a Ground Lease and Sub-Lease with an annual rental payment of \$1.00, Florida Housing waived the requirement for an appraisal of the leasehold value of the property.

Environmental Report: A Limited Environmental Due Diligence: Transaction Screen Process report was performed by Bay Appraisal & Environmental, Inc. d/b/a Bay Area Environmental ("BAE") on February 12, 2014. The work was conducted in accordance with the American Society for Testing and Materials

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 6

("ASTM") Designation E-1528-06. BAE conducted a site inspection of the property and vicinity on February 11, 2014. The property is occupied by the Catholic Charities Pinellas Hope homeless facility and consists of two adjoining parcels of land totaling approximately 18.33 acres located on the southern side of 126<sup>th</sup> Avenue in Clearwater, Florida. The improvements consist of an administrative/dining hall building and five multifamily buildings built in 2010, and three modular office structures. There is a small storm water retention pond and four locked maintenance sheds on the property. Small propane canisters used for grills and heaters are stored on shelves behind a storage trailer. Gasoline for lawn equipment and pressure washers is also stored there. Several 1-2 person tents are located on the property. Inspection of the property did not reveal any evidence of potential environmental concerns. Land use is primarily industrial and adjoining properties are G.A. Nichols, LLC yard waste processing facility and F&H Electrical Contractors equipment/materials storage yard to the north; Calvary Catholic Cemetery to the south; United Parcel Service shipping facility to the east; and vacant industrial land owned by the Florida Department of Transportation to the west. An environmental database search of known hazards, maintained by the U.S. Environmental Protection Agency and the Florida Department of Environmental Protection revealed several regulated facilities within the site vicinity, three of which are in close proximity to the subject: United Parcel Service, 126<sup>th</sup> Avenue Landfill, and Safety Kleen TS Inc.; however, BAE considered none of them a potential environmental concern that could impact the subject property.

Soil Test Report: Driggers Engineering Services Inc. ("Driggers") performed a geotechnical evaluation and issued a report dated May 7, 2014 in accordance with ASTM Practice D-1586. Driggers assumed the proposed structure will be similar to others at the site and consist of an elevated single story wood frame structure that will be column supported to allow for understructure stormwater retention with column loads that would not exceed 27 kips in compression. [The property lies in Flood Zone A; thus, the building is designed to be elevated with stormwater retention underneath it.] Driggers was not furnished details of existing or proposed grades but anticipated that the foundations would require embedment below the bottom of the stormwater retention pond sufficient to develop required compression and uplift capacity which may be below the groundwater table. Driggers conducted 8 standard penetration test borings with the proposed building footprints of four buildings, one of which is the subject. Those 2 borings revealed very loose silty to clayey fine sand at the 2 foot sample interval. Driggers noted that both shallow and deep foundations merit economic consideration, but with proper subgrade preparation, shallow foundations may be utilized. They gave specific design recommendations for the dewatering, subgrade, and foundations. Due to the likelihood that groundwater will impact the shallow foundations; they detailed the possible need for gravel or crushed concrete to form a firm subgrade. Driggers recommended further inspection and testing to detect any unsuitable soils or conditions that would merit removal and replacement. Upon inquiry, Driggers verbally confirmed that this testing would typically occur at construction commencement. Adherence to the Driggers' recommendations is a condition of this funding.

Pre-Construction Plan and Cost Analysis: C3 Consulting Group, Inc. performed a Plan and Cost Analysis ("PCA") dated July 25, 2014. The PCA states that the plans and specifications appear to be suitable for pricing, permitting, and construction purposes except as noted therein as there are some items that will require a response from design professionals as to discrepancies and/or omissions in the plans. The information appears to be coordinated and in compliance with applicable codes and standards. The PCA stated that a review of the construction costs indicates that the Applicant's direct costs (total costs less site work, bonds, contingencies and professional services) are within the average cost range per square foot (\$113.94) and within the average cost range per unit (\$51,389) for developments of this type as they compare to cost data comparables of recent, local similar type construction and national averages. Direct costs for the pavilion building (\$64.49 per square foot) are slightly above the high end of the range for similar type shelter structures. It is C3's opinion that the construction progress schedule of 9 months can be achieved provided adequate supervision is exercised, no major changes are initiated by the Owner and there is no occurrence of unforeseen circumstances. Satisfactory resolution to all discrepancies and/or omissions noted in the PCA is a condition to close.

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 7

Community Services Plan: Florida Housing Staff has approved the Resident Community Services Plan and Provider.

**Operating Pro forma**

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$95,640	\$6,376
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$0	\$0
	Washer/Dryer Rentals	\$0	\$0
	Cable/Satellite Income	\$0	\$0
	Rent Concessions	\$0	\$0
	Alarm Income	\$0	\$0
	Gross Potential Income	\$95,640	\$6,376
	Less:		
	Economic Loss - Percentage:		\$0
	Physical Vacancy Loss - Percentage: 6.0%	(\$3,256)	(\$217)
	Collection Loss - Percentage: 1.0%	(\$543)	(\$36)
<b>Total Effective Gross Revenue</b>	\$91,842	\$6,123	
<b>Total Expenses</b>	\$72,000	\$4,800	
<b>Net Operating Income</b>	\$19,842	\$1,323	

Per the RFA rent controls for the Income and ELI Commitment Set-Aside units shall be restricted at the level applicable for federal competitive housing credits ("HC") in accordance with Section 42 of the Internal Revenue Code. The rent schedule below shows the 2014 maximum HC restricted rents published by Florida Housing. No utility allowances are projected as the Applicant will provide water, sewer, electricity, trash disposal and pest control. Applicant expects all units to obtain maximum HC rents.

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	8	451	40%	\$431					\$431	\$431		\$431	\$41,376
1.0	1.0	7	451	60%	\$646					\$646	\$646		\$646	\$54,264
		15	6765											\$95,640

Vacancy and collection loss for ELI units reflect 0% for each. Vacancy and collection loss for 60% AMI units reflect 7% and 1%, respectively, per underwriting guidelines. It is noted the Applicant projects 7% vacancy on all units and 10% collection loss on all units. Operating expenses are estimated at \$4,800 per unit per underwriting guidelines compared to Applicant's estimate of \$4,649 per unit. Seltzer's pro forma indicates positive net operating income throughout the 20 year affordability period. The Applicant's pro forma indicates positive net operating income through Year 14. Therefore, as noted above, operating income appears sufficient to cover all expenses thereby negating the need for an operating deficit reserve.

Applicant has confirmed that Pinellas Hope IV will be insured through Catholic Mutual Group, a special multi-peril policy on all CCH properties with a premium of approximately \$7,000 to be paid from operations. Replacement reserves will be held in a separate account and are estimated at \$427 PUPY to be paid monthly from operations. The Lessor of the property is exempt from real estate taxes. Applicant will pay personal property taxes on any furniture, fixtures, and equipment attributed to Phase IV.

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 8

DEVELOPMENT TEAM		
Applicant/Borrower:	Catholic Charities Housing, Inc.	% Ownership
Developer:	Catholic Charities Housing, Inc.	
Co-Developer:	General Home Development Corporation of Pinellas, Inc.	
General Contractor 1:	General Home Development Corporation of Pinellas, Inc.	
General Contractor 2:		
Management Company:	Catholic Charities Community Development Corporation	
Architect:	Arkay Engineering, Inc.	

Applicant

Catholic Charities Housing, Inc. (“CCH”) is a Florida 501 (c) (3) non-profit corporation registered with the Secretary of State in July 1993. A current Certificate of Status for 2014 has been obtained online. Articles of Amendment of the Articles of Incorporation dated June 8, 2004 set forth its mission to generally provide housing for the geographic area serviced by the Roman Catholic Diocese of St. Petersburg, including but not limited to, foster low-income housing, the ability to construct, rehabilitate or otherwise develop housing facilities. Officers are listed as Frank V. Murphy-President, John Dufek-Vice President and James Selvey-Treasurer.

Contact Information: Frank V. Murphy, III  
727-893-1313  
fmurphy@ccdosp.org

Address: 1213 16<sup>th</sup> Street North, St. Petersburg, FL 33705

Federal Employer No: 59-3201112


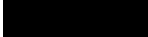
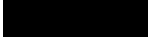

Experience: Catholic Charities, Diocese of St. Petersburg, Inc. has two subsidiaries – Catholic Charities Housing, Inc. (the Applicant herein) and Catholic Charities Community Development Corporation (the Manager herein). The Diocese has provided social services since 1945. Collectively, the Diocese and subsidiaries began developing housing in 1997. They manage 1,611 units within a five county area and own 828 of those units. CCH states that it has been involved with providing permanent supportive housing for the homeless since 2007 when it developed Pinellas Hope Phase I (temporary emergency shelter – i.e. tents) at the subject location followed by Phase II (apartment units) in 2010.

The Applicant also has provided Verification by the State Designated Lead Agency of Inclusion in Local Homeless Continuum of Care Program from the Pinellas County Homeless Leadership Board, Inc.

Credit Evaluation: Experian Business Credit Report for CCH dated July 7, 2014 reflected no adverse credit history and four Uniform Commercial Code filings.

Bank and Business References: Bank references reflect satisfactory handling of accounts and business references reflect high regard for the efforts of CCH in providing housing and services for the homeless, disabled and disadvantaged, and their successful development and management of affordable housing.

Financial Statements: Year End June 30, 2013 Financial Statements prepared and issued by Lewis, Birch & Ricardo, LLC, Certified Public Accountants, on November 18, 2013 for Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates. The Applicant is an affiliate of this entity; however, its financial position is not segregated from the other affiliates. There were no going concerns or federal or state regulatory findings or noncompliance.

Cash and equivalents:   
Total Assets:   
Liabilities:   
Net Assets: 



Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 11

Summary and Recommendation

SMG concludes that the conditions for grant approval as set forth in RFP 2013-006 and Rule 67-60 F.A.C. have been met, and therefore, recommends that Florida Housing approve grant funding in the amount of \$1,348,218 which has been limited to the amount of uses necessary to complete the development (which is less than the initial requested amount) subject to the following:

1. Applicant to comply with any and all recommendations noted in the Plan and Cost Analysis by C3 Consulting Group, Inc.
2. Receipt and satisfactory review of fully executed Payment and Performance Bonds from GHD
3. Execution by Applicant of any documents Florida Housing deems necessary including, but not limited to, the Restrictive Covenant and Grant Agreement, a Construction Completion Guaranty, and an Environmental Indemnity.
4. Evidence of adequate insurance sufficient to meet the standards established in Part IIIB, Chapter 9, Section 911 of the Fannie Mae Multifamily Delegated Underwriting and Servicing Guide, effective April 29, 2011
5. Satisfactory resolution of any outstanding past due and noncompliance items
6. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer)
7. Amendment to the PLP Predevelopment Loan Program loan Land Use Restriction Agreement to modify legal description and set term of LURA
8. Payment of a grant commitment fee equal to 1.0% of the amount of the entire funding amount up to a maximum of \$2,000.
9. Prepayment of compliance monitoring fees at a rate of \$500 per year for 20 years (the Compliance Period)
10. All other due diligence required by Florida Housing and its legal counsel

Mr. Ken Reecy  
Pinellas Hope IV  
October 16, 2014  
Page 12

I hope this correspondence has been helpful and please do not hesitate to call if I can be of further assistance.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.

A handwritten signature in black ink that reads "Cindy Highsmith". The signature is written in a cursive, flowing style.

Cindy Highsmith  
Credit Underwriting Manager