



10 September 2014

Stewart Rutledge
1739 University Avenue, Suite 116
Oxford, Mississippi 38655
662-202-8226 | stewart.rutledge@rosedalecorporation.com

Ken Reecy
Multifamily Development Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

Regarding: SAIL RFA 2014-103 – Brookestone I

Dear Ken,

In the SAIL RFA 2014-103, application 2014-310S (Brookestone) was selected for funding and after board approval, was subsequently invited to credit underwriting. Brookstone is a 108 unit new construction elderly deal in Tallahassee, FL. The development was submitted by co-developers Rosedale Holdings, LLC and H&H Residential Development, LLC (Rosedale/H&H), and received a preliminary award for \$3,050,000 in SAIL and \$750,000 in ELI Gap Funding.

Rosedale/HH has approached Southport Development, Inc. (Southport), and requested that Southport take over their developer position in the deal in exchange for 70% of the economic benefits. Rosedale/HH sought out Southport because their site control expires at the end of September. The land seller is unable to provide any extensions, therefore, in order for the development to proceed, the land must be acquired by the end of September, prior to the closing of the bonds and SAIL. The principals of Southport are willing to acquire the land by the end of September, subject to FHFC's approval of Southport's admission as a co-developer. Southport Development, Inc., possesses all experience required to achieve the same development experience points achieved by Rosedale/HH in their application as required by the RFA.

RFA 2014-103 states on page 47:

“The Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal.”

Rosedale/HH and Southport are formally requesting that Southport Development, Inc. become a co-developer in the transaction and that H&H Residential Development, LLC, be removed. Exhibit A attached includes the developer entity structure as originally submitted. Exhibit B includes the new proposed structure. Please include our request to add Southport as a co-developer on the next feasible board agenda as prescribed by the RFA.

I can be reached at 662-202-8226 at any time to further discuss.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stewart Rutledge', with a stylized, cursive flourish.

Stewart Rutledge

Enclosures

Exhibit A

Approved
FHFC Advance Review

10/8/13

Applicant: Brookestone I, LP

General Partner: Brookestone I GP, LLC

Manager/Member: Rosedale Holdings, LLC

Manager: Stewart W. Rutledge

Manager: S. Britton Jones

Member: Stewart W. Rutledge

Member: S. Britton Jones

Manager/Member: H&H Residential Development, LLC

Manager: Michael L. Hedges

Manager: H. David Hayes

Member: Michael L. Hedges

Member: H. David Hayes

Limited Partner: Stewart W. Rutledge (to be replaced by Investor)

Developer(s): Rosedale Holdings, LLC

Manager: Stewart W. Rutledge

Manager: S. Britton Jones

Member: Stewart W. Rutledge

Member: S. Britton Jones

H&H Residential Development, LLC

Manager: Michael L. Hedges

Manager: H. David Hayes

Member: Michael L. Hedges

Member: H. David Hayes

Exhibit B

Developer (s): Rosedale Holdings, LLC

Manager: Stewart W. Rutledge

Manager: S. Britton Jones

Member: Stewart W. Rutledge

Member: S. Britton Jones

Southport Development, Inc.

Officers

President: J. David Page

Vice President: Scott Seckinger

Vice President: Stephen W. Page

Vice President: Peter H. Leach

Vice President: Paul Fortino

Vice President: Michael Molinari

Secretary: Stephen W. Page

Treasurer: Stephen W. Page

Shareholder: J. David Page

Shareholder: Stephen W. Page