

Florida Housing Finance Corporation

Credit Underwriting Report

Sunset Pointe Apartments

Tax-Exempt Multifamily Mortgage Revenue Bond (“MMRB”), HOME, and 4% Non-Competitive Housing Credits (“HC”)

MMRB 2015-105B / HOME RFA 2015-110 (2016-107H)

**Financing of Affordable Housing Developments with HOME funding to be
used in conjunction with Florida Housing-Issued MMRB and Non-
Competitive Housing Credits**

Section A: Report Summary

**Section B: MMRB & HOME Loan General Conditions, and HC Allocation
Recommendation and Contingencies**

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

FINAL REPORT

June 9, 2016

Sunset Pointe Apartments

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Section A

Report Summary

June 9, 2016

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

Recommendation

First Housing Development Corporation (“First Housing”) recommends a Tax-Exempt Multifamily Mortgage Revenue Bond in the amount up to \$9,200,000, a HOME loan in the amount of \$4,346,000, and an annual HC Allocation of \$670,172 to finance the construction and permanent financing of Sunset Pointe Apartments (“Subject” or “Development”).

DEVELOPMENT & SET-ASIDES																	
Development Name:		Sunset Pointe Apartments															
Program Numbers:		2015-105B				RFA 2015-110				2016-107H							
Address:		1170 NW 79th St.				City:				Miami				Zip Code: 33150			
County:		Miami-Dade				County Size:				Large							
Development Category:		New Construction				Development Type:				Garden Style Apartments							
Construction Type:		Concrete Construction															
Demographic Commitment:		Elderly: No				Homeless: No				ELI: N/A				Unit: @ AMI			
		Farmwork or Commercial Fish Worker: No				Family: Yes				Link: Units							

Miami-Fort Lauderdale-Pompano Beach MSA, Miami-Dade County

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	1.0	3	705	50%	\$665	\$637		\$82		\$583	\$583	\$583	\$555	\$19,980
1	1.0	13	705	60%	\$798		\$858	\$82		\$716	\$716	\$716	\$716	\$111,696
2	2.0	4	952	50%	\$798	\$765		\$105		\$693	\$693	\$693	\$660	\$31,680
2	2.0	44	952	60%	\$958		\$1,032	\$105		\$853	\$853	\$853	\$853	\$450,384
3	2.0	2	1,191	50%	\$923	\$884		\$131		\$792	\$762	\$792	\$753	\$18,072
3	2.0	16	1,191	60%	\$1,107		\$1,183	\$131		\$976	\$976	\$976	\$976	\$187,392
		82												\$819,204

HOME Subsidy Limits: Miami-Dade

Twelve (12) One-Bedroom units at \$87,544 = \$1,050,528

Twenty-two (22) Two-Bedroom units at \$106,453 = \$2,341,966

Eight (8) Three-Bedroom units at \$137,716 = \$1,101,728

Total Maximum HOME Subsidy Allowed = \$4,494,222

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

Buildings: Residential - 3 Non-Residential - _____
 Parking: Parking Spaces - 120 Accessible Spaces - _____

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
4% HC	100%	82	60%	30
MMRB	40%	33	60%	30
HOME Assisted Units	20%	9	50%	30
HOME Assisted Units	80%	33	60%	30

Absorption Rate: 20 units per month for 4 months.

Occupancy Rate at Stabilization: Physical Occupancy 95% Economic Occupancy 95%
 Occupancy Comments _____

DDA?: Yes QCT?: Yes
 Site Acreage: 3.22 Density: 25.47 Flood Zone Designation: X
 Zoning: NCUAD - North Central Urban Area District Flood Insurance Required?: No

DEVELOPMENT TEAM	
Applicant/Borrower:	Sunset Pointe Associates, Ltd.
General Partner	Brookstone Sunset Pointe, LLC 0.010%
Limited Partner:	SunTrust Community Capital, LLC 99.99%
Guarantor(s):	Sunset Pointe Associates, Ltd.
	Brookstone Sunset Pointe, LLC
	Cornerstone Group Partners, LLC
	Jorge and Awilda Lopez
	Mara S. Mades
	Leon J. Wolfe
Pvt Placement Purchaser:	FHFC / JPMorgan Chase Bank, N.A.
Developer:	Cornerstone Group Partners, LLC
Managing Member 1:	Jorge and Awilda Lopez
Managing Member 2:	M3 Acquisitions, LLC
Managing Member 3:	M.S. Mades Family Limited Partnership
General Contractor 1:	Brookstone Construction, LLC
Management Company:	Cornerstone Residential Management, LLC
Syndicator:	SunTrust Community Capital, LLC
Architect:	Burgos Lanza & Associates
Market Study Provider:	Integra Realty Resources, Inc.
Appraiser:	Integra Realty Resources, Inc.

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

PERMANENT FINANCING INFORMATION			
	1st Source	2nd Source	3rd Source
Lien Position	First	Second	Third
Lender/Grantor	FHFC / JPMorgan Chase Bank, N.A.	FHFC - HOME	Miami-Dade Public Housing and Community Development ("PHCD")
Amount	\$3,460,000	\$4,346,000	\$2,200,000
Underwritten Interest Rate	5.04%	0.00%	0.75%
All In Interest Rate	5.04%	0.00%	0.75%
Loan Term	15	20	28
Amortization	35	0	0
Market Rate/Market Financing LTV	23.38%	52.74%	67.61%
Restricted/ Favorable Financing LTV	32.25%	72.75%	93.25%
Loan to Cost	19.34%	24.29%	12.30%
Debt Service Coverage	1.39	1.33	1.24
Operating/Deficit Service Reserve	\$180,000		
Period of Operating Expenses/Deficit Reserve in Months	4.19		

(Please note, the First Mortgage term will be fifteen (15) years, with amortization of thirty-five (35) years, the first two (2) years shall be interest only. The First Mortgage debt service coverage ratio is based on principal, interest payments and fees.)

Deferred Developer Fee	\$714,617
Land Value	\$1,500,000
Market Rent/Market Financing Stabilized Value	\$14,800,000
Rent Restricted/ Favorable Financing Stabilized Value	\$10,730,000
Projected Net Operating Income (NOI) - Year 1	\$319,853
Projected Net Operating Income (NOI) - 15 Year	\$339,140
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Private Placement
Housing Credit Syndication Price	\$1.12
Housing Credit Annual Allocation	\$670,172

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	FHFC / JPMorgan Chase Bank, N.A.	\$8,830,000	\$3,460,000	\$42,195
Second Mortgage	FHFC - HOME	\$4,346,000	\$4,346,000	\$53,000
Third Mortgage	Miami - Dade County Surtax	\$2,200,000	\$2,200,000	\$26,829
Housing Credit Equity	SunTrust Community Capital, LLC	\$1,794,000	\$7,172,000	\$87,463
Deferred Developer Fee	Cornerstone Group Partners, LLC	\$722,617	\$714,617	\$8,715
TOTAL		\$17,892,617	\$17,892,617	\$218,202

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

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?	1.	
Are all funding sources the same as shown in the Application?	X	
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. Since the HOME Application, the Management Agent changed from CSG Management Services, LLC to Cornerstone Residential Management, LLC. Both entities are affiliated with the Developer and have the same level of experience.

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2. The Features and Amenities are currently pending, as the Construction Consultant is working with the Developer to ensure all Features and Amenities are included.
3. The total development costs have increased from \$17,710,741 to \$17,892,617 by \$181,876 or 1.0%, due to increase in construction costs.
4. According to the bond application, the Applicant had requested \$8,600,000 in MMRB proceeds. Subsequently, the Applicant requested FHFC to increase the bond amount to \$9,200,000 due to continued increases in construction costs. This change was approved by FHFC based on an email dated April 21, 2016.

The above changes have no substantial material impact to the MMRB, HOME and HC recommendation for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Non-Compliance Report?

According to the FHFC April 1, 2016 Asset Management Non-Compliance Report, the Development team has the following non-compliance item(s) not in the correction period:

- Bonita Pointe – Failure to document tenant eligibility upon initial occupancy.
- Mission Bay – 1) Failure to meet Uniform Physical Condition Standards for units 2) Failure to document eligibility upon initial occupancy.

According to the FHFC Past Due report dated May 11, 2016, the Development team has the following past due item(s):

- Villa Capri Phase III - TCEP - Owes \$250 late fee for Failure to submit 2015 Audited Financials and SR-1 form by 5/2/2016. Failure to submit 2015 Audited Financials and SR-1 form. Late fee invoice sent out on 5/10/2016.

Closing of the loans are conditioned upon verification that any outstanding past due and/or non-compliance items noted at the time of closing have been satisfied.

Strengths:

1. The Developer, General Contractor and the Management Company are experienced in affordable multifamily housing.
2. The Principals have sufficient experience and substantial financial resources to develop and operate the proposed Development.

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3. The PMA has 147 rent restricted properties with an average physical occupancy of 98.4% according to CoStar, which meets the FHFC requirement that the submarket must have an average physical occupancy rate of 92% or greater. Integra prepared a Market Study for the Development, dated May 23, 2016 (“Effective Date”). The research indicates there is sufficient demand in the market to support the Subject. The weighted average occupancy rate for existing like-kind properties in the Competitive Market Area is 99%.

Other Considerations:

None

Mitigating Factors:

None

Waiver Requests/Special Conditions:

None

Additional Information:

1. The Development received a preliminary allocation of Surtax for up to \$2,200,000 from Miami-Dade County in the form of a loan, subject to credit underwriting. This loan has requirements of a minimum Debt Service Coverage (“DSC”) ratio of 1.0x and maximum DSC ratio of 1.6x in year 1. Additionally, a minimum DSC ratio of 1.15x is required in year 15.
2. In the Request for Application 2015-110 (“RFA”), Florida Housing has set a Total Development Cost (“TDC”) of \$232,300 for a new construction concrete garden style apartment complex in Miami-Dade County, exclusive of land costs and operating deficit reserves. The TDC for the Subject development, exclusive of land and operating deficit reserves is \$16,528,117 or \$201,562 per unit, which is within the underwriting parameters.
3. The RFA requires the Applicant to provide a Match Amount totaling at least 5 percent of the Applicant’s HOME Request Amount. Neither Corporation-issued MMRB, Housing Credit equity, nor forgone Developer fee can be used as Match funding for purposes of this requirement. For a development that is not 100% HOME units, if more than 50 percent of the units in the project are HOME-Assisted, then the contribution to the non-assisted units may be counted as Match. For the Subject development, 42 of the 82 units are HOME-Assisted which represents 51% of the units. Miami-Dade County has committed Surtax

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funding in the amount of \$2,200,000 for the Development. The Present Value of the loan for purposes of HOME Match Funds is \$904,989, which meets the requirement. Additionally, the Subject development is receiving \$685,063 in impact fee refunds.

4. There is one Guarantee Fund project located within 5 miles of the Development. Golden Lakes Apartments is located about 5.0 miles north of the Subject with monthly occupancy ranging from 97.5% to 100% in 2015. The Market Study concluded there will be low impact on the Guarantee Fund Development.
5. The Development is comprised of two contiguous sites, one is vacant land and the other currently has a trailer park with approximately 30 residents. The Developer will pay for relocation expenses for all the tenants.

Issues and Concerns:

None

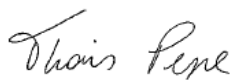
Recommendation:

First Housing recommends Tax-Exempt MMRB in the amount up to \$9,200,000, a HOME Loan in the amount of \$4,346,000 and an annual 4% HC Allocation of \$670,172 to finance the construction and permanent financing of the Development.

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 MMRB & HOME Loan General Conditions and HC Allocation Recommendation and Contingencies (Section 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.

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Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
First Mortgage	FHFC / JPMorgan Chase Bank, N.A.	\$8,600,000	\$9,200,000	\$8,830,000	2.98%	\$263,134
Second Mortgage	FHFC - HOME	\$3,690,000	\$4,346,000	\$4,346,000	0.00%	\$0
Third Mortgage	Miami - Dade County Surtax	\$2,200,000	\$2,200,000	\$2,200,000	0.00%	\$0
Housing Credit Equity	SunTrust Community Capital, LLC	\$970,000	\$970,000	\$1,794,000	N/A	N/A
Deferred Developer Fee	Cornerstone Group Partners, LLC	\$2,385,000	\$1,255,906	\$722,617	N/A	N/A
Total		\$17,845,000	\$17,971,906	\$17,892,617		\$263,134

First Mortgage:

First Housing reviewed a letter of interest, dated May 23, 2016, provided by JPMorgan Chase Bank, N.A. (“JPMorgan Chase”). Based on this letter, JPMorgan Chase estimated it will purchase tax-exempt bonds in the amount up to \$9,200,000 to finance the construction and permanent loan for the Subject development. This amount is based on a loan to value of 80% including value of the real estate and tax credits. Upon meeting the conditions required for the permanent period, the Construction Loan will convert to a permanent loan in an amount not to exceed \$3,460,000. The term of the Construction Loan will be twenty-four (24) months from the closing date and may be extended six (6) additional months for a fee of 0.25% of the outstanding loan amount. During construction, payments of interest only will be required based on a variable rate adjusted monthly based on an index of 1 Month London Interbank Offered Rate (“LIBOR”) plus 200 basis points (“bps”). For underwriting purposes, a rate of 2.44% was used based on May 6, 2016 LIBOR rate of .4379%, plus 200bps, plus an Issuer Fee of 0.24%, an estimated Trustee Fee of 0.05%, and a 0.25% underwriting cushion, for an “all-in” interest rate of 2.98%.

The underwriter estimates that the Developer will only need to draw approximately \$8,830,000 during construction.

FHFC HOME Loan:

The Applicant has applied to Florida Housing for a \$4,346,000 HOME Loan to finance the construction and permanent financing of this Development. The loan will bear interest at 0% per annum for a term of 20 years with principal due at maturity.

Third Mortgage:

First Housing reviewed a Memorandum dated October 6, 2015, from Miami-Dade County. The County Resolution number R-922-15 approved a loan to the Subject development of \$2,200,000 from Documentary Surtax funds. Interest rate will be 0% during the 24 month construction period.

Housing Credit Equity:

Based on a Letter of Interest, dated February 22, 2016, SunTrust Community Capital, LLC (“SunTrust”) will purchase a 99.99% limited partnership interest in the Applicant, for a total equity contribution of \$7,172,000. Based on the Letter of Interest, the annual HC allocation is estimated to be in the amount of \$640,421, and results in a syndication rate of \$1.12 per dollar of LIHTC.

SunTrust anticipates a net capital contribution of \$7,172,000 and has committed to make available \$1,794,000 of the total net equity during the construction period, disbursed in two installments. The first installment, in the amount of \$1,077,000, meets the FHFC requirement that 15% of the total equity must be contributed at or prior to the closing.

Deferred Fee:

To balance the sources and uses of funds during construction, the Developer is required to defer 28.66% of the Developer Fee or \$722,617.

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Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
First Mortgage	FHFC / JPMorgan Chase Bank, N.A.	\$3,600,000	\$3,000,000	\$3,460,000	15	35	5.04%	\$230,531
Second Mortgage	FHFC HOME	\$3,690,000	\$4,346,000	\$4,346,000	20	0	0.00%	\$0
Third Mortgage	Miami - Dade County Surtax	\$2,200,000	\$2,200,000	\$2,200,000	28	0	0.75%	\$16,500
Housing Credit Equity	SunTrust Community Capital, LLC	\$6,459,000	\$7,172,000	\$7,172,000	N/A	N/A	N/A	N/A
Deferred Developer Fee	Cornerstone Group Partners, LLC	\$2,385,000	\$1,253,907	\$714,617	N/A	N/A	N/A	N/A
		\$18,334,000	\$17,971,907	\$17,892,617				\$247,031

First Mortgage:

First Housing reviewed a letter of interest, dated May 23, 2016, provided by JPMorgan Chase Bank, N.A. (“JPMorgan Chase”), which indicated the permanent loan will be up to \$3,460,000, based on a maximum loan to value of 80% of the stabilized rent-restricted value on the permanent loan. The term of the permanent loan will be 15 years amortized over 35 years. After 24 months of construction period, the permanent loan amount will convert to a fixed interest rate, locked at Construction Loan closing. Based on the date of the letter, the estimated rate was 4.5%, plus an Issuer Fee of 0.24%, an estimated Trustee Fee of 0.05%, and a 0.25% underwriting cushion, for an “all-in” interest rate of 5.04%. In addition to the actual interest rate, there are servicing and compliance monitoring fees included in the debt service coverage ratio analysis.

The MMRB will mature 15 years following the termination of the Construction Phase and conversion to the Permanent Phase, for a total potential term of 17.5 years. At maturity, Borrower may satisfy the mortgage repayment via refinance or sale of the Subject development pending market feasibility. In the event the Borrower is unable to refinance or effectuate a sale to fund payoff of the MMRB, such event would not cause an event of default under the loan documents. Rather, should this situation occur, it would trigger a “Mortgage Assignment Event” whereby JPMorgan Chase agrees to cancel the MMRB in exchange for an assignment by the Trustee of the mortgage and all other related documents and accounts. The Trustee would cancel the MMRB and discharge the lien of the indenture, and it would then assign the mortgage loan and any other related documents and collateral to JPMorgan Chase, effectively ending the transaction. Under this scenario the MMRB will have been redeemed/cancelled not by payment of cash but by the assignment of the mortgage loan documents and there is no default. As the new direct mortgagee, JPMorgan Chase would then be in position to work with the Borrower to arrive at a resolution without involvement of either FHFC or the Trustee (as the MMRB would have been cancelled and would no longer be outstanding).

FHFC HOME Loan:

The Applicant has applied to Florida Housing for a \$4,346,000 HOME Loan to finance the construction and permanent financing of this Development. The loan will bear interest at 0% per annum for a term of 20 years with principal due at maturity.

Annual payments of all applicable fees will be required. The annual Compliance Fee of \$885 will be billed annually after loan closing. The Servicing Fee will be based on 25 bps of the outstanding loan amount, with a minimum monthly fee of \$204, and a maximum monthly fee of \$810, billed annually following loan closing.

Third Mortgage:

First Housing reviewed a Memorandum dated October 6, 2015, from Miami-Dade County. The County Resolution number R-922-15 approved a loan of \$2,200,000 of Documentary Surtax funds to the Subject development. Based on an email from Miami-Dade County dated May 17, 2016, interest will be 0% during the 24 month construction period. Interest only payments at 0.75% per year on years two (2) to thirty (30). Annual payments of interest during the permanent period will be required and principal will be due at maturity.

Housing Credit Equity:

The Applicant has applied to FHFC to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax-exempt financing. A HC calculation is contained in Exhibit 2 of this credit underwriting report.

Based on a Letter of Interest dated February 22, 2016, SunTrust will purchase a 99.99% limited partnership interest in the Applicant, for a total equity contribution of \$7,172,000, paid in five installments as follows:

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Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$1,077,000	15.02%	Closing of Construction Loan
2nd Installment	\$717,000	10.00%	75% construction completion
3rd Installment	\$1,793,000	25.00%	Construction completion
4th Installment	\$3,220,000	44.90%	Cost Certification; receipt of Forms 8609; 90% occupancy, 1.15 DSC for 3 consecutive months
5th Installment	\$365,000	5.09%	93% occupancy for 90 days; closing of permanent financing; 1.20 DSC on First Mortgage for 3 consecutive months
Total	\$7,172,000	100%	

Annual Credit Per Syndication Agreement	\$640,421
Calculated HC Exchange Rate	\$1.12
Limited Partner Ownership Percentage	99.990%
Proceeds Available During Construction	\$1,794,000

Deferred Developer Fee:

To balance the sources and uses of funds during permanent financing, the Developer is required to defer \$714,617 of the Developer Fee or 28.3%.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Underwriters Total Costs Per Unit - CUR	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accessory Buildings	\$0	\$320,000	\$320,000	\$3,902	\$0	\$320,000
Demolition	\$100,000	\$100,000	\$100,000	\$1,220	\$100,000	\$100,000
New Rental Units	\$6,843,491	\$8,963,894	\$8,683,895	\$105,901	\$173,800	\$0
Recreational Amenities	\$250,000	\$258,088	\$252,245	\$3,076	\$0	\$252,245
Site Work	\$1,353,000	\$0	\$0	\$0	\$0	\$0
General Conditions	\$0	\$0	\$561,368	\$6,846	\$0	\$0
Overhead	\$0	\$0	\$187,124	\$2,282	\$0	\$0
Profit	\$1,196,509	\$1,308,018	\$561,368	\$6,846	\$0	\$0
Furniture, Fixture, & Equipment	\$0	\$0	\$284,000	\$3,463	\$0	\$0
Total Construction Contract/Costs	\$9,743,000	\$10,950,000	\$10,950,000	\$133,536	\$273,800	\$672,245
Hard Cost Contingency	\$557,150	\$655,500	\$547,500	\$6,677	\$0	\$0
Other: P&P Bonds	\$0	\$90,000	\$90,000	\$1,098	\$0	\$0
Total Construction Costs:	\$10,300,150	\$11,695,500	\$11,587,500	\$141,311	\$273,800	\$672,245

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract dated April 12, 2016, in the amount of \$10,950,000. This is a Standard Form of Agreement between Owner, Sunset Pointe Associates, Ltd. and Contractor, Brookstone Construction, LLC where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price. Per this contract, substantial completion is to be achieved by no later than 14 months from the date of commencement. The contract indicates retainage of 10% till the project is 50% complete, and no retainage thereafter.
2. The Underwriter adjusted Hard Cost Contingency to 5% of the total construction contract, which is within the allowable 5% of total hard costs for new construction developments by the applicable Rule.
3. The General Contractor fee is within the maximum 14% of hard costs allowed by Rule, excluding the cost of purchasing appliances, blinds and shades, artwork, and carpet. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapter 67-21.
4. The Developer indicated that a total of \$284,000 will be used to purchase appliances, carpet, blinds, shades and artwork.
5. The Applicant has budgeted for a Payment and Performance Bond to secure the construction contract.

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Underwriters Total Costs Per Unit - CUR	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Accounting Fees	\$45,000	\$45,000	\$45,000	\$549	\$0	\$0
Appraisal	\$10,000	\$10,000	\$4,000	\$49	\$0	\$0
Architect's Fee - Site/Building Design	\$192,700	\$297,700	\$297,700	\$3,630	\$0	\$0
Architect's Fee - Supervision	\$12,300	\$12,300	\$12,300	\$150	\$0	\$0
Building Permits	\$131,200	\$82,000	\$82,000	\$1,000	\$0	\$0
Builder's Risk Insurance	\$82,000	\$82,000	\$82,000	\$1,000	\$0	\$0
Engineering Fees	\$73,800	\$73,800	\$73,800	\$900	\$0	\$0
Environmental Report	\$20,000	\$20,000	\$20,000	\$244	\$0	\$20,000
FHFC Administrative Fees	\$46,982	\$51,830	\$60,315	\$736	\$60,315	\$60,315
FHFC Application Fee	\$6,500	\$6,500	\$6,500	\$79	\$6,500	\$6,500
FHFC Credit Underwriting Fee	\$21,811	\$20,000	\$22,292	\$272	\$22,292	\$22,292
Impact Fee	\$825,748	\$121,962	\$121,962	\$1,487	\$0	\$0
Lender Inspection Fees / Const Admin	\$45,000	\$50,000	\$50,000	\$610	\$0	\$50,000
Insurance	\$47,150	\$0	\$0	\$0	\$0	\$0
Legal Fees	\$170,000	\$150,000	\$150,000	\$1,829	\$127,500	\$0
Market Study	\$5,000	\$10,000	\$4,500	\$55	\$0	\$0
Marketing and Advertising	\$175,000	\$65,000	\$65,000	\$793	\$65,000	\$0
Plan and Cost Review Analysis	\$4,500	\$0	\$1,625	\$20	\$0	\$0
Property Taxes	\$65,000	\$65,000	\$65,000	\$793	\$32,500	\$0
Soil Test	\$20,000	\$20,000	\$20,000	\$244	\$0	\$0
Survey	\$35,000	\$35,000	\$35,000	\$427	\$0	\$0
Tenant Relocation Costs	\$0	\$200,000	\$200,000	\$2,439	\$200,000	\$0
Title Insurance and Recording Fees	\$110,000	\$85,000	\$85,000	\$1,037	\$68,000	\$0
Utility Connection Fees	\$118,900	\$102,500	\$102,500	\$1,250	\$0	\$0
Soft Cost Contingency	\$0	\$0	\$80,000	\$976	\$0	\$0
Other: FF&E	\$592,000	\$85,000	\$85,000	\$1,037	\$0	\$0
Total General Development Costs:	\$2,855,591	\$1,690,592	\$1,771,494	\$21,606	\$582,107	\$159,107

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. The Credit Underwriter has utilized actual costs for: FHFC Credit Underwriting, FHFC Application Fee, Market Study, Appraisal and Plan and Cost Review.
3. The FHFC Administrative Fee is based on 9% of the recommended annual 4% housing credit allocation.
4. Tenant Relocation Cost is to cover expenses to relocate the current trailer park residents before construction starts.
5. Impact fees are net of the refund the Subject development is expected to receive of \$685,063.

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

6. The Underwriter adjusted the Soft Cost Contingency to be less than 5% of the General Development Costs net of contingency, as allowed by the applicable Rule for new construction developments.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Underwriters Total Costs Per Unit - CUR	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Construction Loan Origination Fee	\$86,000	\$92,000	\$92,000	\$1,122	\$0	\$0
Construction Loan Closing Costs	\$0	\$4,500	\$0	\$0	\$0	
Construction Loan Interest	\$334,000	\$362,000	\$294,710	\$3,594	\$144,800	\$0
Permanent Loan Commitment Fee	\$38,000	\$30,000	\$34,600	\$422	\$34,600	\$0
FHFC Bond Credit Enhancement Fee	\$322,000	\$339,000	\$0	\$0	\$0	\$0
FHFC Bond Closing Costs (COI)	\$0	\$0	\$195,575	\$2,385	\$195,575	\$0
Reserves - Operating Deficit	\$180,000	\$180,000	\$180,000	\$2,195	\$180,000	\$180,000
Other: Placement Agent Fee	\$0	\$0	\$31,000	\$378	\$0	
Total Financial Costs:	\$960,000	\$1,007,500	\$827,885	\$10,096	\$554,975	\$180,000

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is 1%, based on the letter of interest from JPMorgan Chase dated May 23, 2016.
2. Construction Loan Interest of \$294,710 is based on 24 months anticipated construction period, an interest rate of 2.98%, and an average outstanding balance of 56%.
3. Permanent Loan Commitment Fee is 1% of the Permanent Loan amount.
4. MMRB and HOME Loan Closing Costs are comprised of the Cost of Issuance (“COI”) and include fees and expenses of the Issuer, Real Estate Counsel, MMRB Counsel, Disclosure Counsel, and other fees.
5. An Operating Deficit Reserve of \$180,000 is required by SunTrust. By the end of the Compliance period, any balance on this account will be used to pay off any Corporation debt; if there is no Corporation loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees, deferred developer fee and partner funding. In no event shall the payment of amounts to the Applicant or the Developer from the Operating Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. If any balance in the Operating Deficit Reserve account is remaining after the payments above, the amount will be placed in a replacement reserve account for the development. Any and all terms and conditions of the Operating Deficit Reserve must be acceptable to Florida Housing, its Servicer, and its legal counsel.

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NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Underwriters Total Costs Per Unit - CUR	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. As this is new construction, there are no non-land acquisition costs.

OTHER DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Underwriters Total Costs Per Unit - CUR	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Development Cost Before Developer Fee	\$14,115,741	\$14,393,592	\$14,186,879	\$173,013	\$1,410,882	\$1,011,352
Developer Fee	\$2,385,000	\$2,590,847	\$2,521,238	\$30,747	\$0	\$0
Total Other Development Costs:	\$2,385,000	\$2,590,847	\$2,521,238	\$30,747	\$0	\$0

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of total development cost before developer fee, operating deficit reserves and escrows as allowed by RFA and Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Underwriters Total Costs Per Unit - CUR	HC Ineligible Costs - CUR	HOME Ineligible Costs - CUR
Land	\$1,210,000	\$1,201,573	\$1,150,000	\$14,024	\$1,150,000	\$1,150,000
Other: Brokerage Fee	\$0	\$0	\$34,500	\$421	\$34,500	\$34,500
Total Acquisition Costs:	\$1,210,000	\$1,201,573	\$1,184,500	\$14,445	\$1,184,500	\$1,184,500

Notes to Acquisition Costs:

1. First Housing reviewed a Purchase and Sale Agreement, dated November 10, 2014, between New Tradewinds Trailer Park Corporation and German Alvarez ("Seller") and Brookstone Holdings, LLC ("Buyer"), for the purchase price of \$875,000. Additionally, the underwriter reviewed an Assignment of Purchase and Sale Agreement between Brookstone Holdings, LLC ("Assignor") and Sunset Pointe Associates, Ltd. ("Assignee").
2. First Housing reviewed a Purchase and Sale Agreement, dated November 10, 2014, between 1110 NW 79th Street Investment, Inc. ("Seller") and Brookstone Holdings, LLC ("Buyer") for the purchase price of \$275,000. Additionally, the underwriter reviewed an Assignment of Purchase and Sale Agreement between Brookstone Holdings, LLC ("Assignor") and Sunset Pointe Associates, Ltd. ("Assignee"). This parcel of land closed on December 2015.
3. Brokerage fee is expected to be 3% of the purchase price.

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4. The appraiser valued the vacant land at \$1,500,000, which supports the purchase price.

TOTAL DEVELOPMENT COSTS:	\$17,710,741	\$18,186,012	\$17,892,617	\$218,205	\$2,595,382	\$2,195,852
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Notes to Total Development Costs:

1. The total development costs have increased from \$17,710,741 to \$17,892,617 by \$181,876 or 1.0%, due to increase in construction costs.

Operating Pro Forma – Sunset Pointe Apartments

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$819,204	\$9,990
	Other Income				
	Miscellaneous			\$14,000	\$171
	Washer/Dryer Rentals			\$46,740	\$570
	Gross Potential Income			\$879,944	\$10,731
	Less:				
	Physical Vac. Loss Percentage: 4%			\$35,198	\$429
Collection Loss Percentage: 1%			\$8,799	\$107	
Total Effective Gross Income				\$835,947	\$10,194
EXPENSES:	Fixed:				
	Real Estate Taxes			\$67,076	\$818
	Insurance			\$37,720	\$460
	Variable:				
	Management Fee Percentage: 5%			\$41,797	\$510
	General and Administrative			\$34,850	\$425
	Payroll Expenses			\$108,650	\$1,325
	Utilities			\$63,550	\$775
	Marketing and Advertising			\$6,150	\$75
	Maintenance and Repairs/Pest Control			\$49,200	\$600
	Grounds Maintenance and Landscaping			\$20,500	\$250
	Security			\$62,000	\$756
	Reserve for Replacements			\$24,600	\$300
Total Expenses				\$516,093	\$6,294
Net Operating Income				\$319,853	\$3,901
Debt Service Payments					
First Mortgage plus Fees			\$230,531	\$2,811	
Second Mortgage - HOME plus Fees			\$10,605	\$129	
Third Mortgage - Miami-Dade PHCD			\$16,500	\$201	
Total Debt Service Payments			\$257,636	\$3,142	
Cash Flow after Debt Service			\$62,218	\$759	
				Annual	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.39		
DSC - First, Second Mortgages plus Fees			1.33		
DSC - First, Second, Third Mortgages plus Fees			1.24		
DSC - All Mortgages plus Fees			1.24		
Financial Ratios					
Operating Expense Ratio			61.74%		
Break-even Economic Occupancy Ratio (all debt)			87.93%		

Notes to the Operating Pro Forma and Ratios:

- The rents for the Development are based on the most restrictive of the committed set-asides. Forty-two (42) of the units are HOME assisted units. The Applicant has agreed to set aside 20% of the 42 units (9 units) at Low HOME (50% of AMI) and 80% of the 42 units (33 units) at High HOME (60% of AMI) for 30 years.

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

2. The MMRB program does not impose any rent restrictions. However, this development will be utilizing Housing Credits in conjunction with the tax-exempt loan financing which will impose rent restrictions. The rent levels are based on the 2016 maximum LIHTC rents published on FHFC's website for Miami-Dade County less the applicable utility allowance. Applicant committed to set aside 40% of the units (33 units) at 60% AMI for the MMRB and 100% of the units (82 units) at 60% AMI for 4% Housing Credits for 30 years. Below is the rent roll for the Subject development:

Miami-Fort Lauderdale-Pompano Beach MSA, Miami-Dade County

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	1.0	3	705	50%	\$665	\$637		\$82		\$583	\$583	\$583	\$555	\$19,980
1	1.0	13	705	60%	\$798		\$858	\$82		\$716	\$716	\$716	\$716	\$111,696
2	2.0	4	952	50%	\$798	\$765		\$105		\$693	\$693	\$693	\$660	\$31,680
2	2.0	44	952	60%	\$958		\$1,032	\$105		\$853	\$853	\$853	\$853	\$450,384
3	2.0	2	1,191	50%	\$923	\$884		\$131		\$792	\$762	\$792	\$753	\$18,072
3	2.0	16	1,191	60%	\$1,107		\$1,183	\$131		\$976	\$976	\$976	\$976	\$187,392
		82												\$819,204

3. The Vacancy and Collection loss rate of 5.00% is based on the underwriter's estimate and is supported by the appraisal.
4. The Subject units will have washer/dryer hook-ups and will offer washer/dryer rentals. The appraisal estimated washer/dryer rental income at \$46,740 based on a rental rate of \$50 per month and a participation rate of 95%.
5. Other Income is comprised of revenue from laundry facilities, vending machines, late charges, forfeited security deposits and other miscellaneous sources. Total other income of \$171 per unit/per year is supported by the appraisal.
6. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
7. The Development is located in a neighborhood that typically requires Security. The Developer indicated that they will offer security cameras and a gated community with a security guard for 10 to 12 hours per day. Based on comparable properties in the neighborhood, the underwriter believes the Developer's estimate of \$62,000 per year is reasonable.

8. The Applicant has submitted a Management Agreement which reflects a management fee of 5% of gross income actually collected.
9. Utility expense is estimated at \$775 per unit per year. The tenant is responsible for electric, cable, phone and internet. The landlord is responsible for common area electric and gas, water and sewer, trash collection and cable for the clubhouse.
10. The Appraisal estimated Administrative Expenses at \$325 per unit per year. However, the underwriter used \$425 per unit per year based on experience and looking at comparable properties in Miami-Dade County.
11. Replacement Reserves reflect \$300 per unit per year, as required by FHFC Rule.
12. The minimum DSC ratio shall be 1.10x for the HOME Loan, including all superior mortgages. The maximum DSC ratio shall be 1.50x for the HOME Loan, including all superior mortgages.
13. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

Section B

**MMRB & HOME Loan General Conditions, and HC Allocation
Recommendation and Contingencies**

Special Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **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 MMRB pricing date and/or MMRB and HOME Loan closing date. For competitive MMRB sales, these items must be reviewed and approved prior to issuance of the notice of MMRB sale:

1. A Firm Commitment for the MMRB with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer.
3. Closing of the Miami-Dade County Surtax Loan on or before the closing of the FHFC loans. If the Surtax Loan is not available at the time of closing, another source of funds will be required.
4. Satisfactory receipt and review of Certificate of Loan History Statement for Jorge and Awilda Lopez, dated within 90 days of this credit underwriting report before finalization of this report.
5. Satisfactory receipt and review of 2015 tax return or extension for M.S. Mades Family Limited Partnership, before finalization of this report.
6. First Housing reviewed a Preliminary Geotechnical Engineering Study, dated February 5, 2015, prepared by Tierra South Florida, Inc. Satisfactory receipt and review of a complete soil test report based on specific building information is required before closing.
7. Satisfactory receipt and review of updated financials for the Guarantors and the Developer, dated within 90 days of closing.
8. Receipt of an Extension of the Purchase and Sale Agreement, dated November 10, 2014, between New Tradewinds Trailer Park Corporation and German Alvarez (“Seller”) and Brookstone Holdings, LLC (“Buyer”), if closing does not happen by July 10, 2016. Before closing, underwriter needs to verify that the Developer still has site control.
9. Receipt of an acceptable final PCA report before closing. PCA should verify all Features and Amenities are included.

10. Notwithstanding any and all provisions including those pertaining to release, expenditure, or other conditions to the Operating Deficit Reserve within any Operating Agreement, any and all terms and conditions of the Operating Deficit Reserve must be acceptable to Florida Housing, its Servicer, and its legal counsel.
11. Receipt and satisfactory review of a complete and final GC Contract including all Davis-Bacon required addendums, prior to construction commencement.
12. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 pre-construction conference.
13. Any other reasonable requirements of the Servicer, Florida Housing, or its legal counsel.

General Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and First Housing **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 closing date:

1. 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 67-21.0025 (5) F.A.C. and 67-48.0075 (5) F.A.C. of an Applicant or a Developer).
2. On Solid Ground is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first mortgage lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development Costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. During construction, the Developer is only allowed to draw a maximum of 50% of the total developer fee but in no case more than the payable developer fee during construction, which is determined to be "developer's overhead". No more than 35% of "developer's

overhead" will be funded at closing. The remainder of the "developer's overhead" will be disbursed during construction on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and the Servicer. The remaining unpaid developer fee (if applicable) shall be considered attributable to "developer's profit", and may not be funded until the development has achieved 100% lien free completion, and only after retainage has been released.

5. Signed and sealed survey, dated within 90 days of loan 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.
6. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or 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.
7. Final "as permitted" (signed and sealed) site plans, building plans and specifications showing all of the features and amenities committed to in the application. The geotechnical report must be bound within the final plans and specifications, if applicable.
8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, 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.
9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. HOME loan proceeds shall be disbursed pro-rata with other funding sources during the construction period, unless otherwise approved by the Credit Underwriter. The closing draw must include appropriate backup and ACH wiring instructions.
10. 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 coverage, deductibles, and amounts satisfactory to Florida Housing.

11. 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 Florida Housing, its Servicer and its Legal Counsel.
12. Architect, Construction Consultant, and Developer Certifications on forms provided by FHFC 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, if applicable.
13. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review, prepared by On Solid Ground.
14. Corporation debt will be paid off at the end of the Compliance period; if there is no Corporation loan debt on the proposed Development at the end of the Compliance Period, any remaining balance in the Operating Reserve Account will be used to pay any outstanding FHFC fees, deferred developer fee and partner funding. In no event shall the payment of amounts to the Applicant or the Developer from the Operating Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. If any balance in the Operating Deficit Reserve account is remaining after the payments above, the amount will be placed in a replacement reserve account for the development. Any and all terms and conditions of the Operating Deficit Reserve must be acceptable to Florida Housing, its Servicer, and its legal counsel.
15. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing, and its legal counsel **at least 30 days prior to Real Estate Loan**

Closing. Failure to receive approval of these items, along with all other items listed on Florida Housing counsel's due diligence, within this time frame may result in postponement of the loan closing date.

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 Borrower, the guarantor, and any limited partners of the Borrower.
2. Award of 4% Housing Credits and purchase of HC by SunTrust or an affiliate, under terms consistent with the assumptions of this report.
3. 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.
4. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of MMRB and HOME Loan closing, 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 and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.
5. 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 naming FHFC as the insured. All endorsements required by FHFC shall be provided.
6. 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 Loan(s) have been satisfied.
7. 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.

8. 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, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantor, of all Loan(s) documents;
 - c. The Loan(s) 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(s) 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.
9. Evidence of compliance with the local concurrency laws, if applicable.
10. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida housing or its legal counsel, in connection with the Loan(s)
11. UCC Searches for the Borrower, its partnerships, as requested by counsel.
12. Any other reasonable conditions established by Florida Housing and its legal counsel.

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5089, and 420.509, Florida Statutes, Rule Chapter 67-21, F.A.C. (MMRB Program Loan and Non-Competitive 4% Housing Credits), Rule 67-48 F.A.C. (HOME), Rule 67-53, F.A.C., Rule Chapter 67-60 F.A.C., RFA 2015-110, 24 CFR Part 92, Section 42 I.R.C (Housing Credits), and any other State or Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRB and HOME Loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s) and/or Extended Land Use Agreement(s) and Final Cost Certificate.
3. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and SunTrust or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Operating Agreement.
4. All amounts necessary to complete construction must be deposited with the Trustee prior to closing, or any phased HC Equity pay-in amount necessary to complete construction shall be contingent upon an obligation of the entity providing payments, regardless of any default under any documents relating to the HC's, as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 15% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by the Credit Underwriter) shall be deposited with the Trustee at the MMRB closing unless a lesser amount is approved by FHFC prior to closing.
5. Guarantors to provide the standard FHFC Construction Completion Guarantee, to be released upon lien-free completion, as approved by the Servicer.
6. For the MMRB, Guarantors are to provide the standard FHFC Operating Deficit Guarantee. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guarantee if all conditions are met, including achievement of an 1.15x debt service coverage ratio on the MMRB as determined by the Corporation or the Servicer and 90 percent occupancy and 90 percent of the gross potential rental income, net of utility allowances, if applicable, all for a period equal to 12 consecutive months, all certified by an independent Certified Public Accountant, and verified by the Credit Underwriter. The calculation of the debt service

coverage ratio shall be made by the Corporation or the Servicer. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.

7. For the HOME Loan, Guarantors are to provide the standard FHFC Operating Deficit Guarantee. If requested in writing by the Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guarantee if all conditions are met, including achievement of an 1.15x debt service coverage on the combined permanent first mortgage and HOME Loan as determined by FHFC, or its agent, and 90% occupancy, and 90% of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all as certified by an independent Certified Public Accountant, and verified by the Credit Underwriter. The calculation of the debt service coverage ratio shall be made by the Corporation or the Servicer. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.
8. Guarantors to provide the Standard FHFC Environmental Indemnity Guaranty.
9. Guarantors to provide the Standard FHFC Guaranty of Recourse Obligations.
10. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
11. A Mortgagee Title Insurance policy naming Florida Housing as the insured in the amount of the 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. The form of the title policy must be approved prior to closing.
12. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.
13. 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(s) servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule 67-21 and 67-48 F.A.C., in the amount of \$24,600 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise

the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. The initial replacement reserve will have limitations on the ability to be drawn. New construction developments shall not be allowed to draw during the first five (5) years or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The amount established as a replacement reserve shall be adjusted based on a CNA to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the tenth year after the first residential building in the development 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 subsequently every five (5) years thereafter.

14. 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. The GC contract indicates a 10% retainage holdback through 50% completion then no further retainage holdback thereafter, which satisfies the minimum requirement.
15. Closing of all funding sources prior to or simultaneous with the MMRB and HOME loan.
16. Satisfactory completion of a pre-loan closing compliance audit conducted by FHFC or Servicer, if applicable.
17. Satisfactory resolution of any outstanding past due or non-compliance items applicable to the development team prior to closing.
18. Any other reasonable requirements of the Servicer, Florida Housing, or its legal counsel.
19. Satisfactory evidence of compliance with the Davis-Bacon Act 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 HUD and its authorized subcontractor.

Housing Credit Allocation Recommendation

First Housing Development Corporation has estimated a preliminary annual 4% HC allocation of \$670,172. Please see the HC Allocation Calculation in Exhibit 2 of this report for further details.

Contingencies

The HC allocation will be contingent upon the receipt and satisfactory review of the following items by First Housing and Florida Housing by the deadline established in the Preliminary Determination. Failure to submit these items within this time frame 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. Purchase of the HC's by SunTrust or an affiliate, under terms consistent with assumptions of this report.
3. Satisfactory resolution of any outstanding past due or non-compliance issues applicable to the development team prior to closing.
4. Receipt of executed FHFC Fair Housing, Section 504 and ADA design certification 128 and as-built certification forms 122, 127, and 129.
5. Any other reasonable requirements of the Servicer, Florida Housing, or its legal counsel.

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

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	\$819,204	\$835,588	\$852,300	\$869,346	\$886,733	\$904,467	\$922,557	\$941,008	\$959,828	\$979,025	\$998,605	\$1,018,577	\$1,038,949	\$1,059,728	\$1,080,922	
	Miscellaneous	\$14,000	\$14,280	\$14,566	\$14,857	\$15,154	\$15,457	\$15,766	\$16,082	\$16,403	\$16,731	\$17,066	\$17,407	\$17,755	\$18,110	\$18,473	
	Washer/Dryer Rentals	\$46,740	\$47,675	\$48,628	\$49,601	\$50,593	\$51,605	\$52,637	\$53,690	\$54,763	\$55,859	\$56,976	\$58,115	\$59,278	\$60,463	\$61,672	
	Gross Potential Income	\$879,944	\$897,543	\$915,494	\$933,804	\$952,480	\$971,529	\$990,960	\$1,010,779	\$1,030,995	\$1,051,615	\$1,072,647	\$1,094,100	\$1,115,982	\$1,138,301	\$1,161,067	
	Less:																
Physical Vac. Loss Percentage:	4.00%	\$35,198	\$35,902	\$36,620	\$37,352	\$38,099	\$38,861	\$39,638	\$40,431	\$41,240	\$42,065	\$42,906	\$43,764	\$44,639	\$45,532	\$46,443	
Collection Loss Percentage:	1.00%	\$8,799	\$8,975	\$9,155	\$9,338	\$9,525	\$9,715	\$9,910	\$10,108	\$10,310	\$10,516	\$10,726	\$10,941	\$11,160	\$11,383	\$11,611	
Total Effective Gross Income		\$835,947	\$852,666	\$869,719	\$887,113	\$904,856	\$922,953	\$941,412	\$960,240	\$979,445	\$999,034	\$1,019,014	\$1,039,395	\$1,060,183	\$1,081,386	\$1,103,014	
EXPENSES:	Fixed:																
	Real Estate Taxes	\$67,076	\$69,088	\$71,161	\$73,296	\$75,495	\$77,759	\$80,092	\$82,495	\$84,970	\$87,519	\$90,145	\$92,849	\$95,634	\$98,503	\$101,458	
	Insurance	\$37,720	\$38,852	\$40,017	\$41,218	\$42,454	\$43,728	\$45,040	\$46,391	\$47,783	\$49,216	\$50,693	\$52,213	\$53,780	\$55,393	\$57,055	
	Variable:																
	Management Fee Percentage:	5.00%	\$41,797	\$42,633	\$43,486	\$44,356	\$45,243	\$46,148	\$47,071	\$48,012	\$48,972	\$49,952	\$50,951	\$51,970	\$53,009	\$54,069	\$55,151
	General and Administrative	\$34,850	\$35,896	\$36,972	\$38,082	\$39,224	\$40,401	\$41,613	\$42,861	\$44,147	\$45,471	\$46,835	\$48,241	\$49,688	\$51,178	\$52,714	
	Payroll Expenses	\$108,650	\$111,910	\$115,267	\$118,725	\$122,287	\$125,955	\$129,734	\$133,626	\$137,635	\$141,764	\$146,017	\$150,397	\$154,909	\$159,556	\$164,343	
	Utilities	\$63,550	\$65,457	\$67,420	\$69,443	\$71,526	\$73,672	\$75,882	\$78,158	\$80,503	\$82,918	\$85,406	\$87,968	\$90,607	\$93,325	\$96,125	
	Marketing and Advertising	\$6,150	\$6,335	\$6,525	\$6,720	\$6,922	\$7,130	\$7,343	\$7,564	\$7,791	\$8,024	\$8,265	\$8,513	\$8,768	\$9,031	\$9,302	
	Maintenance and Repairs/Pest Control	\$49,200	\$50,676	\$52,196	\$53,762	\$55,375	\$57,036	\$58,747	\$60,510	\$62,325	\$64,195	\$66,121	\$68,104	\$70,147	\$72,252	\$74,419	
	Grounds Maintenance and Landscaping	\$20,500	\$21,115	\$21,748	\$22,401	\$23,073	\$23,765	\$24,478	\$25,212	\$25,969	\$26,748	\$27,550	\$28,377	\$29,228	\$30,105	\$31,008	
	Security	\$62,000	\$63,860	\$65,776	\$67,749	\$69,782	\$71,875	\$74,031	\$76,252	\$78,540	\$80,896	\$83,323	\$85,822	\$88,397	\$91,049	\$93,781	
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Reserve for Replacements	\$24,600	\$24,600	\$24,600	\$24,600	\$24,600	\$24,600	\$24,600	\$24,600	\$24,600	\$24,600	\$24,600	\$25,338	\$26,098	\$26,881	\$27,688	\$28,518
	Total Expenses		\$516,093	\$530,420	\$545,168	\$560,351	\$575,980	\$592,069	\$608,631	\$625,681	\$643,234	\$661,303	\$680,643	\$700,552	\$721,049	\$742,151	\$763,874
Net Operating Income		\$319,853	\$322,246	\$324,551	\$326,763	\$328,876	\$330,884	\$332,781	\$334,559	\$336,211	\$337,731	\$338,372	\$338,842	\$339,133	\$339,236	\$339,140	
Debt Service Payments																	
First Mortgage plus Fees	\$230,531	\$230,620	\$230,712	\$230,807	\$230,904	\$231,005	\$231,108	\$231,215	\$231,325	\$231,438	\$231,554	\$231,674	\$231,798	\$231,925	\$232,056		
Second Mortgage - HOME plus Fees	\$10,605	\$10,632	\$10,659	\$10,687	\$10,716	\$10,746	\$10,777	\$10,808	\$10,841	\$10,875	\$10,909	\$10,945	\$10,982	\$11,020	\$11,059		
Third Mortgage - Miami-Dade PHCD	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500		
Total Debt Service Payments	\$257,636	\$257,752	\$257,871	\$257,994	\$258,120	\$258,251	\$258,385	\$258,523	\$258,666	\$258,812	\$258,964	\$259,119	\$259,280	\$259,445	\$259,615		
Cash Flow after Debt Service	\$62,218	\$64,494	\$66,680	\$68,769	\$70,756	\$72,634	\$74,396	\$76,035	\$77,546	\$78,918	\$79,408	\$79,723	\$79,854	\$79,791	\$79,525		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.39	1.40	1.41	1.42	1.42	1.43	1.44	1.45	1.45	1.46	1.46	1.46	1.46	1.46	1.46	1.46	
DSC - First, Second Mortgages plus Fees	1.33	1.34	1.34	1.35	1.36	1.37	1.38	1.38	1.39	1.39	1.40	1.40	1.40	1.40	1.39		
DSC - First, Second, Third Mortgages plus Fees	1.24	1.25	1.26	1.27	1.27	1.28	1.29	1.29	1.30	1.30	1.31	1.31	1.31	1.31	1.31		
DSC - All Mortgages plus Fees	1.24	1.25	1.26	1.27	1.27	1.28	1.29	1.29	1.30	1.30	1.31	1.31	1.31	1.31	1.31		
Financial Ratios																	
Operating Expense Ratio	61.74%	62.21%	62.68%	63.17%	63.65%	64.15%	64.65%	65.16%	65.67%	66.19%	66.79%	67.40%	68.01%	68.63%	69.25%		
Break-even Economic Occupancy Ratio (all debt)	87.93%	87.81%	87.72%	87.64%	87.57%	87.52%	87.49%	87.48%	87.48%	87.50%	87.60%	87.71%	87.84%	87.99%	88.15%		

HC Allocation Calculation

Section I: Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$17,892,617
Less Land Costs	\$1,184,500
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$1,410,882
Total Eligible Basis	\$15,297,235
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$19,886,406
Housing Credit Percentage	3.37%
Annual Housing Credit Allocation	\$670,172

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include; FHFC Fees, origination fees, closing costs, advertising/marketing fees, and operating reserves required by lender.
2. The development has a 100% set-aside: therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the development is located in a Difficult Development Area ("DDA") and/or Qualified Census Tract ("QCT"); therefore the 130% basis credit was applied.
4. For purposes of this recommendation, a HC percentage of 3.37% was applied for the qualified basis credit allocation based on the rate at time of Invitation into Credit Underwriting in January 2016 (3.22%) plus 15 bps.

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

Section II: GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$17,892,617
Less Mortgages	\$10,006,000
Less Grants	\$0
Equity Gap	\$7,886,617
HC Syndication Percentage to Investment Partnership	99.990%
HC Syndication Pricing	\$1.12
HC Required to meet Equity Gap	\$7,042,327
Annual HC Required	\$704,233

Notes to the Gap Calculation:

1. The pricing and syndication percentage were taken from the Letter of Interest, dated February 22, 2016, from SunTrust.

Section III: Summary

HC Per Application	\$587,272
HC Per Qualified Basis	\$670,172
HC Per GAP Calculation	\$704,233
Annual HC Recommended	\$670,172
Syndication Proceeds based upon Syndication Agreement	\$7,172,000

Notes:

1. The estimated annual 4% housing credit allocation is limited to the lesser of the qualified basis calculation or the gap calculation. The recommendation is based on the qualified basis calculation.

50% Test

Tax-Exempt Bond Amount	\$8,830,000
Less: Debt Service Reserve Funded with Tax Exempt Bond Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$8,830,000
Total Depreciable Cost	\$15,297,235
Plus Land Cost	\$1,184,500
Aggregate Basis	\$16,481,735
Net Tax-Exempt Bond to Aggregate Basis Ratio	53.57%

Notes to the 50% Test:

1. Based on the development budget, the development appears to meet the 50% test for 4% Housing Credits.

EXHIBIT "B"

(Sunset Pointe Apartments / HOME RFA 2015-110 (2016-107H))

DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

82 units located in 3 residential buildings.

Unit Mix:

Sixteen (16) one-bedroom / one-bath units comprising 705 square feet each; and

Forty-eight (48) two-bedroom / two-bath units comprising 952 square feet each;
and

Eighteen (18) three-bedroom / two-bath units comprising 1,191 square feet each;
and

82 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. Applicant commits to provide the following General 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 services 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; and

5. Full-size range and over in all units.
6. At least two full bathrooms in all 3 bedroom or larger new construction units; and
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units.

C. Applicant commits to provide the following Accessibility, Universal Design and Visitability Features:

1. All units of the proposed Development must meet all federal requirements and state building code requirements, including the following:
 - 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
 - The Fair Housing Act as implemented by 24 CFR 100;
 - Section 504 of the Rehabilitation Act of 1973; and
 - 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.

For purposes of the Housing Credit Program, a Housing Credit allocation shall be deemed "Federal financial assistance" within the meaning of that term as used in Section 504 of the Rehabilitation Act of 1973 as implemented by 24 CFR Part 8 for all Housing Credit Developments.

2. All units that are located on an accessible route must have the following features:
 - Primary entrance door shall have a threshold with no more than a ½-inch rise;
 - All door handles on primary entrance door and interior doors must have lever handles;
 - Lever handles on all bathroom faucets and kitchen sink faucets;
 - Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level;

- 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.

D. Applicant commits to provide the following 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.
2. 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);
3. Low-flow water fixtures in bathrooms with the following specifications:
 - Toilets: 1.28 gallons/flush or less,
 - Faucets: 1.5 gallons/minute or less,
 - Showerheads: 2.0 gallons/minute or less;
4. Energy Star qualified refrigerator;
5. Energy Star qualified dishwasher;
6. Energy Star water heater
7. Energy Star qualified ceiling fans with lighting fixtures in bedrooms;
8. Air Conditioning minimum efficiency specifications (choose in-unit or commercial):
 - In-unit air conditioning: minimum 15 SEER; or Central chiller AC system—based on size:
 - 0-65 KBtuh: Energy Star certified; or
 - >65-135 KBtuh: 11.9 EER; or

- >135-240 KBtuh: 12.3 EER; or
- >240 KBtuh: 12.2 EER.

E. The Applicant has committed to provide the following resident programs:

1. After School Program for Children – This program requires the Applicant or its Management Company to provide supervised, structured, age-appropriate activities for children during after school hours, Monday through Friday. Activities must be on-site.
2. Literacy Training – The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.
3. Employment Assistance Program – The Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must include, but not be limited to, the following:
 - Evaluation of current job skills;
 - Assistance in setting job goals;
 - Assistance in development of and regular review/update of individualized plan for each participating resident;
 - Resume assistance;
 - Interview preparation; and
 - Placement and follow-up services.

EXHIBIT "B"
(Sunset Pointe Apartments / MMRB 2015-105B)

A. The Development will consist of:

82 units located in 3 residential buildings.

Unit Mix:

Sixteen (16) one-bedroom / one-bath units comprising 689 square feet each; and

Forty-eight (48) two-bedroom / two-bath units comprising 927 square feet each;
and

Eighteen (18) three-bedroom / two-bath units comprising 1,170 square feet each.

82 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 has committed to the following optional features and amenities for the Development:

1. Exercise room with appropriate equipment.
2. Community center or clubhouse.
3. Swimming pool.

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

1. Programmable thermostat in each unit.
2. Energy Star ceiling fans in all bedrooms and living areas.
3. Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings.
4. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - a. Toilets: 1.6 gallons / flush or less; and
 - b. Faucets: 1.5 gallons / minute or less; and
 - c. Showerheads: 2.2 gallons / minute or less.
5. Minimum SEER of 14 for unit air conditioners.

D. The Applicant has committed to provide the following Resident Programs:

Resident Activities: These specific 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.

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

DEVELOPMENT

NAME: Sunset Pointe Apartments

DATE: June 9, 2016

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 Florida Housing Finance Corporation ("FHFC"). 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 time frame. Unsatisfactory items, if any, are noted below 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.	Unsatis.	1.
2. Final site plan and/or status of site plan approval.	Unsatis.	2.
3. Permit Status.	Unsatis.	3.
4. Pre-construction analysis ("PCA").	Unsatis.	4.
5. Survey.	Unsatis.	5.
6. Complete, thorough soil test reports.	Unsatis.	6.
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
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.	7.
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.	

MMRB, HOME & HC CREDIT UNDERWRITING REPORT

19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
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:

Notes:

1. A copy of the "Permitted" drawings are required, once available.
2. Final site plan and/or status of site plan approval, once available.
3. A copy of the building permit is required, once available.
4. Receipt of an acceptable final PCA report before closing. PCA should verify all Features and Amenities are included.
5. Need updated survey dated within 90 days of closing and certified to First Housing as agent for Florida Housing.
6. First Housing reviewed a Preliminary Geotechnical Engineering Study, dated February 5, 2015, prepared by Tierra South Florida, Inc. Satisfactory receipt and review of a complete soil test report based on specific building information is required before closing.
7. Satisfactory receipt and review of updated financials for the Guarantors, the Developer and General Contractor, dated within 90 days of closing.

Applicant's Response:

- None