
Florida Housing Finance Corporation

Credit Underwriting Report

Eagle Pointe Apartments

SAIL Program

2004-061S

Section A: Report Summary

Section B: SAIL Program Special and General Conditions

Section C: Supporting Information and Schedules

Prepared by

AmeriNational Community Services, Inc.

Final Report

April 8, 2005

Eagle Pointe Apartments

TABLE OF CONTENTS

	<u>Page</u>
Section A	
Report Summary	
<input type="checkbox"/> Recommendations	A1-A6
Overview	A7-A9
Uses of Funds	A10-A12
Operating Pro Forma	A13-A15
Section B	
Special and General Conditions	B1-B5
Section C	
Supporting Information and Schedules	
<input type="checkbox"/> Additional Development & Third Party Information	C1-C3
<input type="checkbox"/> Borrower Information	C4-C7
<input type="checkbox"/> Guarantor Information	C8
<input type="checkbox"/> Syndicator Information	C9
<input type="checkbox"/> General Contractor Information	C10-C11
<input type="checkbox"/> Property Management Information	C12
Exhibits	
15 Year Pro Forma	1
Description of Features & Amenity Characteristics	2. 1-4
Completion and Issues Checklist	3. 1-2

Section A
Report Summary

Recommendation

AmeriNational recommends a SAIL Program loan of \$1,295,000 for permanent financing of this development.

DEVELOPMENT & SET-ASIDES																					
Location	2001 West Atlantic Blvd, Pompano Beach, Broward County, Florida 33069																				
Number of Units/Unit Mix	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Bed-rooms</th> <th>Baths</th> <th>No. of Units</th> <th>Unit Size (SF)*</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>60</td> <td>700</td> </tr> <tr> <td>2</td> <td>2</td> <td>72</td> <td>950</td> </tr> <tr> <td>3</td> <td>2</td> <td>60</td> <td>1,150</td> </tr> <tr> <td>Total</td> <td></td> <td>192</td> <td>179,400</td> </tr> </tbody> </table>	Bed-rooms	Baths	No. of Units	Unit Size (SF)*	1	1	60	700	2	2	72	950	3	2	60	1,150	Total		192	179,400
Bed-rooms	Baths	No. of Units	Unit Size (SF)*																		
1	1	60	700																		
2	2	72	950																		
3	2	60	1,150																		
Total		192	179,400																		
Demographic Commitment	Family – Development will serve the general population.																				
Set Asides	100% at 60% of AMI (SAIL)																				
Set Aside Term	50 Years																				
County Size	Large																				
Development Type	Newly Constructed																				
Occupancy Rate	According to a Rent Roll dated March 14, 2005, the development is 99% occupied. Used 5% Vacancy & Collection in the Proforma																				
Parking	The development has 321 parking spaces, of which seven (7) are handicap spaces.																				
Improvements	The existing development has seven (7) three-story, garden-style apartment buildings and a clubhouse building. Construction is masonry block exterior walls with slab on grade foundations.																				
Site Acre	The survey reflects a land area of 8.21 acres.																				
Density	23.4 units per acre																				
Zoning	Rm-12 & BU-3, General Business with an exception for multifamily development with a 192 unit maximum.																				
Flood Zone Designation	Flood Zone “AE”. Flood insurance is required.																				
DEVELOPMENT TEAM																					
Applicant/Borrower	Eagle Pointe Associates, Ltd.																				
General Partner	Cornerstone Eagle Pointe, LLC																				
Limited Partner/Special Limited Partner/Syndicator	HCI Eagle Point, LLC, through its manager West Cedar Managing, Inc.; SLP, Inc / MMA Financial, LLC																				
Guarantors	Eagle Pointe Associates, Ltd., Cornerstone Eagle Pointe, LLC, Cornerstone Group Development, LLC, Cornerstone Group Development Corp., Stuart I. Meyers Family Partnership, Ltd., and Stuart I. Meyers, Jorge, Lopez, Leon J. Wolfe, and Mara S. Makes, individually.																				
Developer	Cornerstone Group Development, LLC																				
General Contractor	Alliance Construction, LLC																				

SAIL PROGRAM CREDIT UNDERWRITING REPORT

ACS

Management Company	Cornerstone Residential Management, LLC
1 st Mortgage Lender	Florida Housing Finance Corporation ("FHFC")
Credit Enhancer on 1 st Mortgage – Const.	FHFC Guarantee Program in conjunction with FSA Insurance
Credit Enhancer on 1 st Mortgage – Perm.	FHFC Guarantee Program in conjunction with HUD Risk Sharing
FINANCING INFORMATION	
FHFC Programs	Guarantee Program, MMRB, SAIL, & Housing Credits
Total 1 st Mtg. Loan Amount	\$12,270,000 (MMRB & Guarantee Program)
"All in" Underwritten Interest Rate	6.10%
Term/Amortization	41.25 / 40
2 nd Loan Amount	\$300,000 (HOME)
Underwritten Interest Rate	1.00%
Term/Amortization	41 / 0
3 rd Loan Amount	\$1,295,000 (SAIL)
Underwritten Interest Rate	3.27%
Term/Amortization	41.25 / 0
Favorable Rent-Restricted Stabilized Value	\$15,000,000
Market Rent Value	\$14,400,000
Restricted Loan To Value – All Loans Combined	92.43%
Market Loan To Value - All Loans Combined	96.28%
Projected Net Operating Income	\$973,098
Debt Service Coverage – 1 st & 2 nd Loans Combined	1.182
Debt Service Coverage - All debt	1.124
FHFC SAIL Loan to Cost	6.44%
FHFC Assistance Per Unit	\$70,651
Syndication Price	\$0.820
Bond Structure	Fixed Rate

Construction/Permanent Sources:

<u>Source</u>	<u>Lender</u>	<u>Construction</u>	<u>Permanent</u>	<u>Perm Loan/Unit</u>
Tax Exempt Bonds	FHFC	\$12,270,000	\$12,270,000	\$63,906
HOME Loan	Broward County	\$300,000	\$300,000	\$1,563
SAIL Loan	FHFC	\$0	\$1,295,000	\$6,745
HC Equity	MMA	\$4,428,500	\$6,221,756	\$32,405
Deferred Developer Fee	Cornerstone	\$2,823,710	\$9,600	\$50
Borrower Equity	Cornerstone	\$274,146	\$0	\$0
TOTAL		\$20,096,356	\$20,096,356	\$104,669

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	x	
Are all funding sources the same as shown in the Application?		(1)
Are all local government recommendations/contributions still in place at the level described in the Application?	n/a	
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?	x	
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?		(2)
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?	n/a	
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?		(3)

(Revised 8/14/03)

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

- The Applicant received a \$12,270,000 Multifamily Mortgage Revenue Bond ("MMRB" or "Bonds") loan from the Florida Housing Finance Corporation ("FHFC" or "Florida Housing") on March 13, 2003. On December 3, 2004, the FHFC Board approved a preliminary commitment for a SAIL Program loan of up to \$2,000,000. The Applicant anticipated redeeming \$570,000 in Bonds in order to meet SAIL Program loan closing requirements of a 1.10 debt service coverage ("DSC"); however, has since decided against redemption of the Bonds and has lowered the SAIL Program loan allocation to \$1,295,000. This change does not adversely affect the development.
- The Applicant received a Broward County Homeownership ("HOME") Program second mortgage loan to pay land acquisition costs according to a Home Funding Agreement dated December 3, 2003. According to the Note dated February 18, 2004, terms and conditions of the loan include a

- 1.00% interest-only rate and a term of 41 years. Upon completion of the 41-year term, the mortgage will be released. AmeriNational considers this change beneficial to the development
2. Total Development Costs have decreased \$268,561 primarily due to decreases in Utility Connection Fees and Marketing and Advertising.
 3. Consultech & Associates, Inc. ("Consultech") reviewed the Features and Amenities committed to in the 2002 FHFC Application for MMRB funding and noted the Building Plans and Specification included all Features and Amenities committed to in the Application. Consultech noted that each of the development's units were to receive a 30- or 40- gallon electric water heater (energy factor specified as .89 and .88 respectively) located in the mechanical closet. The development's construction was completed in May 2004. The Applicant committed to the following Energy Conservation Feature in its 2004 Application for SAIL funding: (Gas water heater with energy factor of .58 or electric water heater with energy factor of .91 or better). At the time of underwriting, compliance with this energy feature committed to in the Application has not been met. In order to comply with the energy conservation factor committed to in the Application, the Developer has agreed to install R-11 fiberglass tank-wrap insulation on the sides and tops of the water heaters and to add foam pipe insulation on the hot and cold water lines. According to an October 3, 2003 In-Field Energy Efficiency Improvements Analysis performed by Dr. Carl C. Hiler, P.E. of Applied Energy Technology, installation of the insulation wrap to the hot water heaters and adding the foam over the pipes will actually increase the energy factor beyond the .91 requirement to .93. ("Consultech") has investigated the various methods available for increased in the energy efficiency of the water heaters and concurs with the analysis. Satisfactory confirmation from Consultech prior to final SAIL funding that this procedure has been completed is a condition of this report found in Section B.

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

According to the latest FHFC Non-compliance Report dated March 18, 2005, no noncompliance issues exist for the Cornerstone Group.

According to the latest FHFC Past Due Report dated March 22, 2005, Cornerstone Group properties have the following past due item(s):

- Clipper Bay; Failure to pay 2004 servicing fee of \$1,604.46 due 3/15/2005.
- Hawk's Landing; Failure to pay 2004 servicing fee of \$5,977 due 3/15/2005.

The following Cornerstone Group properties failed to submit escrow & reserves balances for analysis:

- Clipper Cove – due 2/10/2005
- Grove Pointe – due 2/10 & 3/10/2005
- Lantana – due 2/10 & 3/10/2005
- Oaks at Ellenton – due 2/10 & 3/10/2005
- Heron Pointe – due 3/10/2005
- River Oaks – due 3/10/2005
- Clipper Cove – Tampa – due 1/10/2005

The following Cornerstone Group properties failed to submit 2005 proposed budgets due 12/1/2004:

- Cypress Trace
- Indian Trace
- Sanctuary Cove
- St. Croix

The following Cornerstone Group properties failed to submit 2004 year-end operating results, capital expenditures due 2/15/2005:

- Bristol Bay
- Logan's Pointe

The following Cornerstone Group properties failed to submit 2004 year-end Certified Rent Roll as of 12/31/2004, due 2/15/2005:

- Bridgewater Place
- Bristol Bay
- Villa Esperanza
- Sabal Chase
- Mission Pointe – Jacksonville
- Sundance Pointe
- Center Court
- Cypress Trace
- Doral Terrace

Closing of the SAIL Program loan is conditional upon verification that any outstanding past due, and/or non-compliance items noted at the time of closing, have been satisfied.

Strengths:

1. The market study concluded that the subject site possesses very good accessibility characteristics, as it has frontage along a major traffic artery located in an area with significant redevelopment and new single-family development. Occupancy rates for the "North Pompano/Deerfield Beach" market area are strong. Affordable developments have a vacancy rate of 2.8%, which is below the Broward County average of 3.6% as of the 4th quarter of 2004 and 5.4% as of November 2003. As of March 21, 2005, the development's has a 99% occupancy rate. The appraiser estimated a 4% vacancy and a 1% collection loss, for the subject property, which is supported in the market.
2. The principals of the General Partner, Jorge Lopez, Stuart I. Meyers, Leon J. Wolfe and Mara S. Mades, and Cornerstone Group Development Corp., and Cornerstone Group Development, LLC have many years of experience in the development of affordable housing. MMA Financial, LLC, ("MMA"), the Syndicator has significant experience and financial strength.
3. Based upon its review of the Personal Financial Statements, AmeriNational concludes that Stuart I. Meyers, Jorge Lopez, Leon J. Wolfe, Mara S. Mades, Cornerstone Group Development Corp., and Cornerstone Group Development, LLC, have sufficient Net Worth for the purpose of collateralizing the FHFC Guarantees.

Other Considerations:

1. Based upon its review of the Personal Financial Statements and the Schedule of Contingent Liabilities, AmeriNational concludes that Stuart I. Meyers, Jorge Lopez, Leon J. Wolfe, Mara S. Mades have substantial contingent liabilities. See the "Contingent Liabilities" paragraph of "Borrower Information" with Section C of this Credit Underwriting Report.

Mitigating Factors:

1. Cornerstone Group Development Inc., Cornerstone Group Development, LLC, JL Holding Corp., SIM Holdings II, LLC, and Jorge Lopez, Stuart I. Meyers, Leon J. Wolfe and Mara S. Mades, individually are entered into a \$4.5 million Liquidity Maintenance Agreement as required by the Guarantee Program.

According to a January 12, 2005 letter with supporting documentation provided by the Applicant, the principals of Cornerstone Group have collectively maintained a liquidity balance of no less than \$4.5 million.

Waiver Requests/Special Conditions:

None

Additional Information:

None

Issues and Concerns:

None

Recommendation:

AmeriNational recommends that a SAIL Program loan allocation of \$1,295,000 be awarded to Eagle Pointe Apartments for the permanent financing of this 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 SAIL Program Loan Conditions (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.

Prepared by:



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Multifamily Credit Underwriter
AmeriNational Community Services, Inc

Reviewed by:



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AmeriNational Community Services, Inc

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Construction Debt Service
Tax Exempt Bonds	FHFC	\$11,700,000	\$12,270,000	\$12,270,000	6.10%	\$748,470
Home Loan	HFABC	\$0	\$300,000	\$300,000	1.00%	\$3,000
SAIL Loan	FHFC	\$2,000,000	\$1,295,000	\$0	3.27%	\$0
Housing Credit Equity	MMA	\$4,428,500	\$6,221,756	\$4,428,500		
Deferred Developer Fee	Cornerstone	\$2,236,417	\$0	\$2,823,710		
Borrower Equity	Cornerstone	\$0	\$4,800	\$274,146		
Total		\$20,364,917	\$20,091,556	\$20,096,356		\$751,470

First Mortgage Loan Structure:

The Applicant received an MMRB loan of \$12,270,000 Credit Enhanced through the Florida Housing Finance Corporation's ("FHFC" or "Florida Housing") Guarantee Program in concert with FSA Insurance during the construction/stabilization period. The MMRB Loan required interest only payments at an "all-in" 6.10% rate during the 15-month construction/stabilization period.

Proposed SAIL Program Structure:

The development is complete; therefore, SAIL Program funds will not be used during the construction period.

Other Construction Sources of Funds:

The Applicant received a Broward County Homeownership ("HOME") Program second mortgage loan according to a Home Funding Agreement dated December 3, 2003. According to the Note dated February 18, 2004, terms and conditions of the loan include a 1.00% interest-only rate and a term of 41 years. Upon completion of the 41-year term, the mortgage will be released.

Based on the Amended and Restated Agreement of Limited Partnership dated March 1, 2003, with \$7,588,270 of syndicated HC and a syndication rate of \$0.82 per dollar of syndicated HC, the Limited Partnership anticipates a net equity contribution of \$6,221,756. Of this amount, \$2,753,000 was advanced upon admission to the Limited Partnership. Two additional construction installments each of \$837,750 were paid at 50% and 75% completion, which allowed for a total amount available during construction of \$4,428,500.

In order to cover any remaining shortfalls in funding, and after receipt of all available loan proceeds and HC Equity contributions, the Developer deferred its entire fee of \$2,823,710 and the Borrower provided Equity of \$274,146 during the construction phase.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amort. Years	Term Years	Annual Debt Service
Tax Exempt Bonds	FHFC	\$11,700,000	\$12,270,000	\$12,270,000	6.10%	40	41.25	\$820,422
Home Loan	Broward	\$0	\$300,000	\$300,000	1.00%	0	41.00	\$3,000
SAIL Loan	FHFC	\$2,000,000	\$1,295,000	\$1,295,000	3.27%	0	41.25	\$42,347
Housing Credit Equity	MMA	\$5,506,000	\$6,221,756	\$6,221,756				
Deferred Developer Fee	Cornerstone	\$1,158,917	\$4,800	\$9,600				
Total		\$20,364,917	\$20,091,556	\$20,096,356				\$865,769

First Mortgage Loan Structure:

The MMRB Loan has a 41.25-year term (a 40-year permanent/amortization period following a 15-month construction/stabilization period) with a 6.10% "all-in" interest rate and credit enhanced by the FHFC Guarantee Program in concert with HUD Risk Sharing. The MMRB financed loan is secured by a first mortgage lien on the Eagle Pointe development and a security interest in all personalty of the development.

The Applicant anticipated redeeming \$570,000 in Bonds in order to meet SAIL Program loan closing requirements of a 1.10 debt service coverage ("DSC"); however, has since decided against redemption of the Bonds and instead lowered the SAIL Program loan allocation to \$1,295,000 .

Proposed SAIL Program Structure:

The Applicant has applied to Florida Housing for a \$2,000,000 SAIL permanent loan, which has been reduced to \$1,295,000 to finance this development. The SAIL loan will be co-terminus with the first mortgage MMRB loan as requested by the Credit Enhancer and permitted by the SAIL Rule. It will be non-amortizing and will bear 3% simple interest per annum. Annual payments of all applicable fees will be required. In addition and to the extent that development cash flow is available; interest payments at the 3% rate will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL loan, all principal and unpaid interest will be due. This credit underwriting assumes interest payments at 3.270% (simple interest rate plus applicable fees).

SAIL loan funds are to be utilized as an additional source, to cover expenses associated with construction costs, developer fees, and costs associated with the SAIL Program Rule 67-48.013(1) F.A.C.

Other Permanent Sources of Funds:

As noted, in addition to the MMRB loan, the development will be financed by a Broward County HOME loan, syndication proceeds from the sale of housing credits ("HC"), and developer fee.

The Applicant received a \$300,000 Broward County Homeownership ("HOME") Program second mortgage loan according to a Home Funding Agreement dated December 3, 2003. According to the Note dated February 18, 2004, terms and conditions of the loan include a 1.00% interest-only rate and a term of 41 years. Upon completion of the 41-year term, the mortgage will be released.

Based on the Amended and Restated Agreement of Limited Partnership dated March 1, 2003, MMA Financial, LLC and/or an affiliate purchased 99.99% limited partnership interest and will provide net capital contributions of \$6,221,756 to be paid as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$2,753,000	44.25%	Investment Closing
2nd Installment	\$837,750	13.46%	the latest of (a) six (6) months following the Admission Date, or (b) the 50% Completion Date
3rd Installment	\$837,750	13.46%	the latest of (a) nin (9) months following the Admission Date, or (b) the 75% Completion Date
4th Installment	\$325,000	5.22%	on the 100% Completion Date
5th Installment	\$402,500	6.47%	the latest of (a) satisfaction of all of the conditions for Final Closing, or (b) the date on which the Accountants determine the amount of the Annual Credit and determine that the development satisfies the requirements of Section 42(h)(4) of the Code
6th Installment	\$1,065,756	17.13%	the latest of (a) Permanent Mortgage Commencement, (b) the first day following a period of six (6) achievement of 112% Debt Service Coverage Ratio for a period of three (3) consecutive months after the Completion Date
Total	\$6,221,756	100%	

Annual Credit Per Syndication Agreement: \$758,827

Total Credit Per Syndication Agreement: \$7,588,270

Calculated HC Exchange Rate: \$0.82

Syndication Percentage: 99.99%

Proceeds During Construction: \$4,428,500

The current budget indicates that during the permanent stage, the developer will most likely be required to defer \$9,600 of total developer fee.

Uses of Funds

	Applicant's Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs
Actual Construction Cost			
Off Site (Water & Sewer Extension)	\$42,500	\$0	\$0
New Rental Units	\$10,207,523	\$10,178,345	\$10,178,345
Accessory Buildings	\$300,000	\$300,000	\$300,000
Recreational Amenities	\$234,188	\$234,188	\$234,188
Actual Construction Cost	\$10,784,211	\$10,712,533	\$10,712,533
Other	\$0	\$0	\$0
Subtotal	\$10,784,211	\$10,712,533	\$10,712,533
General Contractor Fees (max 14%)	\$1,495,789	\$1,495,789	\$1,495,789
Total Construction Amount	\$12,280,000	\$12,208,322	\$12,208,322
Hard Cost Contingency by LOC	\$0	\$0	\$0
Total Actual Construction Cost	\$12,280,000	\$12,208,322	\$12,208,322

Notes to the Actual Construction Costs:

1. An executed lump sum contract in the amount of \$12,280,000 dated August 10, 2002, between the Applicant, Eagle Pointe Associates, Ltd., and Alliance Construction, Inc. was received and reviewed. Construction completed May 2004.
2. The Applicant received a Bank Line of Credit ("LOC") to cover the Hard Cost Contingency.
3. General Contractor's fees are within program rule requirements.
4. Consultech & Associates, Inc. ("Consultech") reviewed the plans and specs, the construction contract, and the development budget. Consultech considered the construction costs reasonable. The cost per square foot (\$58.55) is within the upper range of average square foot cost range for developments of this type. Specifications were suitable for permitting and construction.

	Applicant's Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs
General Development Costs			
Accounting Fees	\$44,751	\$43,363	\$43,363
Appraisal	\$7,500	\$10,100	\$13,400
Architect's Fee - Design & Supervision	\$124,905	\$205,253	\$205,253
Builder's Risk Insurance	\$150,429	\$128,715	\$128,715
Building Permits	\$424,542	\$423,683	\$423,683
Engineering Fee	\$54,166	\$46,747	\$46,747
Environmental / Soil Reports	\$26,398	\$12,337	\$12,337
FHFC Application Fee	\$4,000	\$6,597	\$6,597
FHFC Administrative Fee	\$53,718	\$71,925	\$61,032
FHFC Credit Underwriting Fee	\$25,000	\$71,382	\$28,455
Impact Fees	\$480,273	\$426,193	\$426,193
Inspection Fees/Construction Admin.	\$15,000	\$10,995	\$10,995
Legal Fees	\$125,000	\$92,669	\$92,669
Market Study	\$22,544	\$8,000	\$8,200
Marketing and Advertising	\$245,000	\$140,000	\$140,000
Property Taxes	\$75,000	\$54,244	\$54,244
Survey	\$18,514	\$4,439	\$4,439
Title & Recording	\$110,000	\$54,009	\$54,009
Utility Connection Fees	\$96,000	\$10,990	\$10,990
Other - Clubhouse Furniture	\$115,000	\$95,465	\$95,465
Miscellaneous Soft Costs	\$75,000	\$9,132	\$58,015
Other - Water Heater Insulation	\$0	\$3,072	\$9,600
Total General Development Costs	\$2,292,740	\$1,929,310	\$1,934,401

Notes to the General Development Costs:

1. AmeriNational adjusted the Applicant's revised budget to reflect actual costs for Appraisal, Market Study, and FHFC Administrative and Credit Underwriting Fees.
2. The Developer has agreed to install tank-wrap and foam pipe insulation to the unit's water heaters and pipes to increase the energy factor committed to in the Application. However, the \$9,600 cost has yet to be verified. A holdback of \$9,600 from the SAIL loan will occur until verification of the development cost.
3. The remaining General Development Costs are the Applicant's updated estimates, which appear reasonable.

	Applicant's Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs
Financial Costs			
Cost of Issuance	\$687,933	\$831,050	\$831,050
Construction Loan Interest	\$606,138	\$680,443	\$680,443
SAIL Loan Commitment Fee	\$0	\$12,950	\$12,950
SAIL Legal, Title & Closing Costs	\$0	\$30,000	\$30,000
Total Financial Costs	\$1,294,071	\$1,554,443	\$1,554,443

Notes to the Financial Costs:

1. The Applicant's revised budget reflects a Cost of Issuance fee, which appears reasonable to AmeriNational.
2. A SAIL Program loan commitment fee of \$12,950 or 1.0% is of the requested loan amount.
3. Since this is a new construction development, there are no non-land acquisition costs.

	Applicant's Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs
Development Cost Before Land and Developer Fee	\$15,866,811	\$15,692,075	\$15,697,166
Other Development Costs			
Developer Fee & Overhead	\$2,856,025	\$2,824,000	\$2,823,709
Total Other Development Costs	\$2,856,025	\$2,824,000	\$2,823,709

Notes to the Other Development Costs:

1. The recommended Developer's fee is equal to approximately 18% of total Development Cost before Land and developer fee.

	Applicant's Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs
Land Acquisition Costs			
Land	\$1,550,000	\$1,550,000	\$1,550,000
Other - Land Closing/Title Costs	\$92,081	\$25,481	\$25,481
Total Acquisition Costs	\$1,642,081	\$1,575,481	\$1,575,481

Notes to Acquisition Costs:

1. The Applicant provided a Warranty Deed dated March 11, 2003 between Eagle Pointe Associates, Ltd. and Louis C. Bachrodt III and Denise Anne Bachrodt, the sellers, which supports the \$1,550,000 purchase price.
2. The Appraisal dated March 5, 2005 by Hume Real Estate Consultants, Inc. provides an estimate of "as is" value for the subject site in the amount of \$1,900,000, which supports the purchase price.

	Applicant's Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs
Total Development Cost	\$20,364,917	\$20,091,556	\$20,096,356

Notes to Total Development Cost:

1. Total Development Costs in the Applicant's revised budget are slightly lower (1.32%) than those of the Application primarily due to a decrease in Utility Connection Fees, and Marketing and Advertising.

OPERATING PROFORMA

DESCRIPTION	Annual	Per Unit
Income		
Gross Potential Rental Revenue	\$1,751,652	\$9,123
Other Income		
Washer/Dryer Rentals	\$60,480	\$315
Cable TV Income	\$17,280	\$90
Miscellaneous Income	\$23,040	\$120
Intrusion Alarms	\$6,912	\$36
Gross Potential Income	\$1,859,364	\$9,684
Less:		
Vacancy Loss @ 4.0%	\$74,375	\$387
Collection Loss @ 1.0%	\$18,594	\$97
Total Effective Gross Revenue	\$1,766,396	\$9,200
Expenses		
Fixed:		
Real Estate Taxes	\$182,528	\$951
Insurance	\$81,600	\$233
Variable:		
Management @ 5%	\$88,320	\$460
General and Administrative	\$59,000	\$307
Payroll Expenses	\$156,250	\$814
Utilities	\$112,320	\$585
Marketing and Advertising	\$0	\$0
Maintenance and Repairs	\$43,200	\$225
Grounds Maintenance and Landscaping	\$24,000	\$125
Painting and Decorating	\$7,680	\$40
Reserve for Replacements	\$38,400	\$200
Other	\$0	\$0
Other-	\$0	\$0
Total Expenses	\$793,298	\$4,132
Net Operating Income	\$973,098	\$5,068
Debt Service Payments		
First Mortgage - Tax Exempt Bonds	\$820,422	\$4,273
Second Mortgage - HOME	\$3,000	\$16
Third Mortgage - SAIL	\$42,347	\$221
Other Fees -	\$0	\$0
Other Fees -	\$0	\$0
Total Debt Service Payments	\$865,769	\$4,509
Operating Income After Debt Service - Before Tax Cash Flow	\$107,329	\$559

Debt Service Coverage (DSC) Ratios	
DSC - First Mortgage (MMRB)	1.186
DSC - First & Second Mortgages (MMRB & HOME)	1.182
DSC - All Mortgages (MMRB, HOME, & SAIL)	1.124
DSC- All Mortgages and Fees	1.124

Financial Ratios	
Operating Expense Ratio	45%
Break-even Ratio	89%

Notes to the Operating Proforma and Ratios:

1. Gross Potential Rental Revenue is based upon 2005 restricted rents published by FHFC, less Utility allowances per a May 2004 utility allowance from the Broward County Public Housing Authority. Note that the Applicant is requesting SAIL funds; which is income restricted but does not impose any rent restrictions. However, the developer will apply for HC, which imposes rent restrictions and are reflected herein. The rent roll for the subject property is as follows:

PMSA (County): Ft. Lauderdale (Broward County)

Bed-rooms	Baths	No. of Units	Unit Size (SF)*	Median Income %	Max Gross HC Rents	Max HOME Rents	Utility Allowance	Max Net HC Rents	Applicant Rents	Underwriter Rents	Annual Rents
1	1	57	700	60%	\$677		\$37	\$640	\$640	\$640	\$437,760
1	1	1	700	50%	\$677	\$564	\$37	\$527	\$527	\$527	\$6,324
1	1	2	700	60%	\$677	\$714	\$37	\$640	\$677	\$640	\$15,360
2	2	70	950	60%	\$813		\$48	\$765	\$765	\$765	\$642,600
2	2	1	950	50%	\$813	\$677	\$48	\$629	\$629	\$629	\$7,548
2	2	1	950	60%	\$813	\$858	\$48	\$765	\$810	\$765	\$9,180
3	2	58	1,150	60%	\$939		\$60	\$879	\$879	\$879	\$611,784
3	2	2	1,150	60%	\$939	\$984	\$60	\$879	\$879	\$879	\$21,096
Total		192	179,400								\$1,751,652

Note: The development is also receiving Broward County HOME funds. The lesser of the Low or High HOME rent or the HC rent was utilized.

2. The 5.0% vacancy and collection loss rate is based on AmeriNational's estimate of sustainable economic occupancy; which is supported by the appraiser.
3. Washer/Dryer Rental Income, Cable Income, Miscellaneous Income, and Intrusion Alarm Income are based upon the Appraiser's estimate. The Appraiser indicates that the costs of these services are deducted from this estimate. Washer/Dryer income is based on a net fee of \$35.00 (net of expenses and vacancy) per unit per month with 75% penetration, and Cable Income is based on a net fee (net of expenses and vacancy) of \$10.00 per unit per month with 75% penetration. Miscellaneous income is estimated at \$10.00 per unit per year and includes Application Fees, Pet Fees, Telephone/Data Line Income, Late Fees, Cancellation Fees, Forfeited Deposits, Vending Income, and income from other miscellaneous sources. Intrusion Alarm Income is based on a net fee of \$10.00 per unit per month with a 30% utilization rate. This income is based upon actual comparable data reviewed by the Appraiser, and is therefore, net of vacancy.
4. Based on operating data from comparable properties, third party reports (primarily a subject self-contained appraisal and market study), and the credit underwriter's independent due diligence from comparable properties; ACS represents that, in our professional opinion, estimates for rental income, vacancy and loss allowances, other income, and operating expenses fall within a band of reasonableness.

5. The Applicant submitted a Property Management Agreement dated July 9, 2002 that reflects a monthly management fee of 5.0% of Gross Collections. The Appraisal supports a 5.0% management fee in this market.
6. Units will be sub-metered; therefore, the subject development is only responsible for common area expenses.
7. Replacement Reserves of \$200 per unit per year are projected, which are based on the Appraiser's calculation.
8. Based upon an anticipated NOI of \$973,098 the subject development can support the recommended SAIL Program loan of \$1,295,000 at a combined minimum DSC of 1.10:1 as long as total annual Debt Service does not exceed \$884,635. If at closing of the SAIL Program loan the annual underwritten "combined" debt service exceeds \$884,635, the First Mortgage Loan will have to be reduced so that annual Debt Service does not exceed \$884,635.
9. The 15-Year Proforma (Exhibit 1, Page 1) reflects rental income increasing at an annual rate of 3%, and expenses increasing at a 4% annual rate.

Section B

SAIL Program Loan Special and General Conditions

Special Conditions

This recommendation is contingent upon the review and approval of the following items by the Servicer and Florida Housing **at least two (2) weeks before closing**. Failure to receive approval of these items within this time frame may result in postponement of the closing date.

1. In order to comply with the Energy Conservation Factor committed to in the Application, the Developer has agreed to install R-11 fiberglass tank-wrap insulation on the sides and tops of the water heaters and to add foam pipe insulation on the hot and cold water lines. This procedure will increase the energy factor beyond the .91 requirement to .93.. Satisfactory confirmation from Consultech prior to final SAIL funding that this procedure has been completed and inspected by the Servicer during the compliance audits is required.
2. Receipt of satisfactory updated financial information for the Applicant, General Partner, General Contractor, Mr. Meyers, Mr. Lopez, Mr. Wolfe and Ms. Made in accordance to the SAIL Program Rule 67-48, F.A.C.

General Conditions

This recommendation is contingent upon the review and approval of the following items by the Servicer and Florida Housing **at least two (2) weeks before closing**. Failure to receive approval of these items within this time frame may result in postponement of the closing date.

1. Borrower to comply with any and all recommendations noted in the pre-construction analysis which has been prepared by Consultech.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. The final "as permitted" (signed and sealed) site plans, building plans, and specifications showing all features and amenities committed to in the Application. The Geotechnical Report must be bound within the final plans and specifications.

5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The final sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL Program loan proceeds shall be disbursed during the construction phase in an amount per Draw, which does not exceed the ratio of the SAIL loan to the Total Development Cost, net of deferred developer fees, unless approved by the Credit Underwriter. The closing draw must include appropriate backup and ACH wiring instructions.
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, with coverages, deductibles and amounts satisfactory to Florida Housing.
8. If the development is not 100% lien-free completed, a 100% Payment and Performance Bond ("P&P") 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 General Contractor 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.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504, ADA, and the Federal Fair Housing Act requirements if applicable.
10. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
11. Florida Housing approval of any outstanding past due or non-compliance notices applicable to the subject development team by the closing of the loan(s).

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its legal counsel **at least two (2) weeks before closing**. Failure to receive approval of these items, within this timeframe may result in postponement of the closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/managers(s) of the Borrower, the guarantors, and any limited partners of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to

public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of 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 noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the SAIL loan naming FHFC as the insured. All endorsements required by FHFC shall be provided.
5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the SAIL loan have been satisfied.
6. Evidence of general liability, flood (if applicable), builder's risk, and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, in coverage, deductibles and amounts satisfactory to Florida Housing.
7. Receipt of a legal opinion from the Borrower's legal counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager.;
 - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all SAIL loan documents;
 - c. The SAIL loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
 - e. Such other matters as Florida Housing or its legal counsel may require.
8. Evidence of compliance with local concurrency laws.
9. 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 SAIL loan.

10. UCC Searches for the Borrower, its partnerships, as requested by counsel.
11. Any other reasonable conditions established by Florida Housing and its legal counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all provisions of Sections 420.507(22) and 420.5087, Florida Statutes and Rule Chapter 67-48, F.A.C.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement, the Mortgage and Security Agreement, and the Land Use Restriction Agreement.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, First Lender and any other sources) sufficient to complete the development. If at any time there are not sufficient funds (held by Florida Housing, First Lender, and any other sources) 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 SAIL loan funds are disbursed. This condition specifically includes escrowing at closing all syndication and other equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. If applicable, Guarantors to provide the standard FHFC Construction Completion Guarantee; to be released upon lien-free completion as approved by the Servicer.
5. Guarantors to provide the standard FHFC Operating Deficit Guarantees; to be released upon achievement of 1.10 combined debt service coverage for the first mortgage and the SAIL loan for six consecutive months.
6. Guarantors to provide the standard FHFC Environmental Indemnity.
7. Guarantors to provide the standard FHFC Guaranty of Recourse Obligations.
8. Closing of the first mortgage loan simultaneous with or prior to the closing of the SAIL loan.
9. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the SAIL loan is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.

11. Replacement Reserves in the amount of \$200 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's loan servicing agent. However, the Applicant has the option to prepay Replacement Reserves, as allowed per Rule 67-048.12, F.A.C., in the amount of \$38,400 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the SAIL Program 1.10:1 DSC requirement. The Applicant can waive this election, if at closing of the SAIL loan 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 \$200 per unit per year for Years 1 and 2, followed by \$200 per unit per year thereafter. An inflation factor based upon the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable to FHFC that evidences an increase in the deposit is excessive or unnecessary.
12. Consultech is to act as Florida Housing's inspector during the construction period.
13. A minimum of 10% retainage holdback on all construction draws until the development is 50% completed, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy.
14. Any other reasonable requirements of AmeriNational, Florida Housing or its legal counsel.

Section C
Supporting Information & Schedules

**Additional Development &
Third Party Supplemental Information**

Appraised Value: An appraisal, dated January 8, 2005 was completed by David Crandall Hume, MAI, SRPA, and State Certified General Appraiser RZ0000627 of Hume Real Estate Consultants, Inc. ("Hume").

The appraiser indicated a value, as completed and stabilized, based on market rents and a market capitalization rate of \$14,400,000. The resulting combined loan to value is 96.28%. The appraiser's value assuming favorable financing is \$15,000,000. The resulting loan to value under this valuation scenario is 92.43%.

The appraiser indicated an "as is" value for the land of \$1,900,000

AmeriNational finds the appraisal satisfactory and concurs with the appraiser that there is sufficient demand for the development in this location.

Market Study: A market study, dated February 8, 2005 was completed by David Crandall Hume, MAI, SRPA, and State Certified General Appraiser RZ0000627 of Hume Real Estate Consultants, Inc. ("Hume"). The study indicated that the site is well suited for multi-family development. AmeriNational concluded that the Market Study was satisfactory.

The subject development is located at the north side of West Atlantic Boulevard, east of NW 21st Avenue, within the City of Pompano Beach, Broward County, Florida. The PMSA is Ft. Lauderdale. The subject is 100% complete and is 99% occupied.

The subject site possesses very good accessibility characteristics, as it has frontage along a major traffic artery located in an area with significant redevelopment and new single-family development. The site is located approximately one-half mile west of Interstate 95 within the North Pompano Beach sub-market. West Atlantic Boulevard is a major east/west traffic artery in the area. The subject's immediate neighborhood includes a mix of residential, industrial, commercial uses, and a number of vacant land tracts.

Planned and existing developments in the Pompano Beach market area include: Pinnacle Village, a 148-townhome development anticipated to be completed as of September 2005. This development will be financed under the HC program and 100% of the units will be set aside at 60% AMI. The Oaks at Pompano Apartments, a 224-unit development built in 1998 is located south of the development. Regency Gardens, a 94-unit development built in 2003 and financed under the HC program is north of the development. The development's design and construction features are consistent with market standards for new affordable apartment development in the market area.

As of September 2004, there were 1,332 units available with the overall Broward County market area. This is a 14% increase on 1,167 units available in June 2003. At the same time, 775 apartments units were

SAIL PROGRAM CREDIT UNDERWRITING REPORT

known to be under construction in Broward County. However, no new apartments were started in the first three quarters of 2004. During 2003, 3,078 units were started. For the six month period ending September 2004, 216 units were absorbed per month. With 1,332 units available, this represents a 6.2 month supply. The market suggests that annual demand of 5,829 additional units exists within Broward County. Therefore, inventory could be as high as 2,915 units without being excessive. As of September 2004, 379 units were being completed per month, while no new units were started.

Occupancy rates for the "North Pompano/Deerfield Beach" market area are strong. Affordable development have a vacancy rate of 2.8%, which is below the Broward County overall average of 3.6% as of the 4th quarter of 2004 and 5.4% as of November 2003. As of March 14, 2005, the development's has a 99% occupancy rate.

Environmental Report:

A Phase I and II Environmental Site Assessment was performed by Biscayne Environmental, Inc. and completed on April 2, 2002. The Phase I was performed in general accordance with ASTM Standard E-1527-00.

The assessment revealed that the property is free of recognized environmental hazards and does not recommend any further environmental site assessment or corrective action.

Soils Test Report:

The geotechnical investigation was performed by All State Engineering and Testing Consultants, Inc. and completed on August 13, 2002. The report indicates ten (10) test borings and one (1) percolation test were performed. The amount of borings meets the requirements of the program as they exceed the number of dwelling buildings. The report concluded that the soil and groundwater conditions on the site are suitable for the proposed development with conventional methods of site preparation which would include soil improvement consisting of densifying the loose sands noted.

The underwriter noted no apparent conditions that would result in excessive development costs.

Pre-Construction Analysis:

AmeriNational engaged Consultech & Associates, Inc. ("Consultech") to perform the Pre-Construction Analysis ("PCA") dated December 19, 2002.

Consultech reviewed the plans and specs, the construction contract, and the development budget. Consultech considers the construction costs as reasonable. The cost per square foot (\$58.55) is within the upper range of average square foot cost range for developments of this type. Specifications were suitable for permitting and construction. Consultech recommended that Subcontracts be submitted for review and that disbursements under the Construction Contract be conditional upon Lien Releases (waivers) for previous payments.

Consultech reviewed the Features and Amenities committed to in the 2002 FHFC Application for MMRB funding and noted the Building Plans

SAIL PROGRAM CREDIT UNDERWRITING REPORT

and Specification included all Features and Amenities committed to in the Application. Consultech noted that each of the development's units were to receive a 30- or 40- gallon electric water heater (energy factor specified as .89 and .88 respectively) located in the mechanical closet. The development's construction was completed in May 2004. The Applicant committed to the following Energy Conservation Feature in its 2004 Application for SAIL funding: (Gas water heater with energy factor of .58 or electric water heater with energy factor of .91 or better). At the time of underwriting, compliance with this energy feature committed to in the Application has not been met. In order to comply with the energy conservation factor committed to in the Application, the Developer has agreed to install R-11 fiberglass tank-wrap insulation on the sides and tops of the water heaters and to add foam pipe insulation on the hot and cold water lines. According to an October 3, 2003 In-Field Energy Efficiency Improvements Analysis performed by Dr. Carl C. Hiler, P.E. of Applied Energy Technology, installation of the insulation wrap to the hot water heaters and adding the foam over the pipes will actually increase the energy factor beyond the .91 requirement to .93. Consultech has investigated the various methods available for increased in the energy efficiency of the water heaters and concurs with the analysis.

Features, Amenities

& Resident Programs: The Applicant committed to provide Features, Amenities and Resident Programs in Part III, Section B & F of the Application (see Exhibit 2).

Site Inspection:

Diana Conner, an AmeriNational Compliance Specialist, completed a physical inspection on February 23, 2004. According to Ms. Conner, the development is in satisfactory condition.

Nancy Griffin of AmeriNational completed the original site inspection on September 11, 2002 and noted the following observations:

The site configuration is irregular. The site possesses approximately 170 feet of frontage along the north West Atlantic Blvd. The site also possesses approximately 222.74 feet of frontage along the east side of NW 21st Avenue and is currently vacant. The elevation is at approximately two feet below street grade of West Atlantic Blvd.

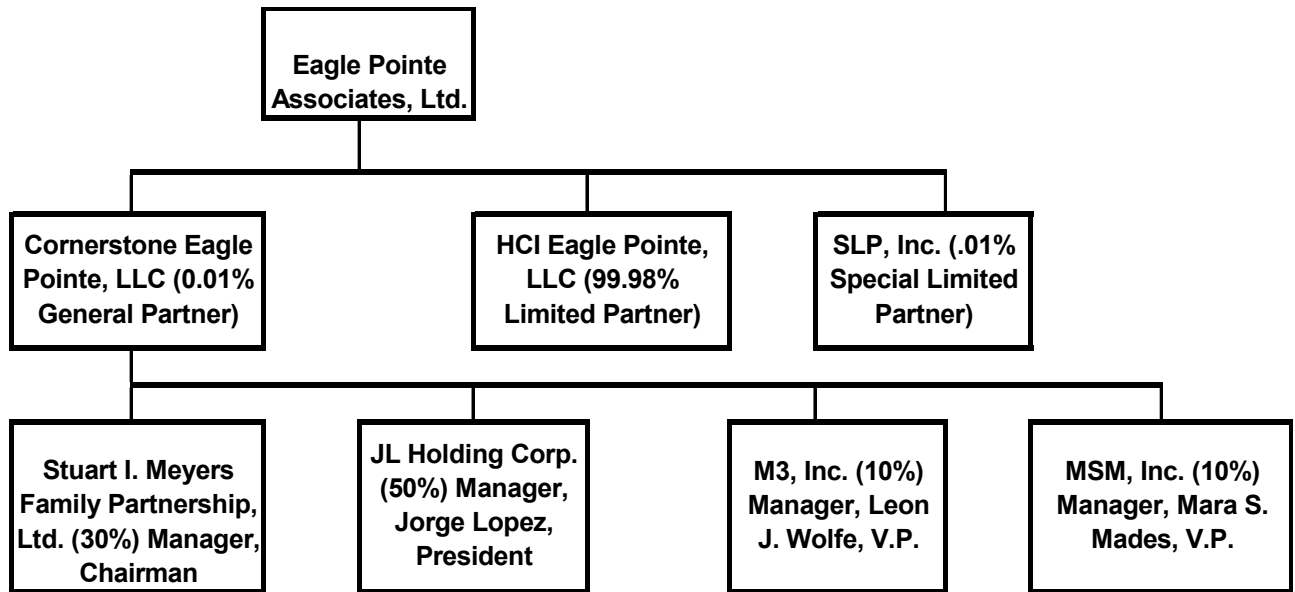
The site is bordered by commercial uses to the east (an automobile dealership facility) and an office showroom facility to the west. Atlantic Business Center, a large, high quality industrial/office park is located to the south. The location of the site is approximately one-half mile to the west of Interstate 95, where entrance and exit ramps are located. The immediate neighborhood includes a mix of residential and commercial uses, along with a number of vacant land tracts. West Atlantic Blvd. is a major east-west traffic artery within the area.

Borrower Information

Borrower Name: Eagle Pointe Associates, Ltd.

Borrower Type: A Florida Limited Partnership

Ownership Structure: Eagle Pointe Associates, Ltd. ("Applicant") is a Florida limited partnership formed December 4, 2001 to construct and operate Eagle Pointe Apartments. Copies of the Limited Partnership Agreements and (or) Articles of Incorporation and current Certificates of Status have been provided. The ownership Structure is as follows:



In addition, the principals, shareholders, officers, and/or directors of the Applicant are also affiliated with the Developer entity, Cornerstone Group Development, LLC, the Management entity, Cornerstone Residential Management, LLC ("CRM"), as well as the General Contractor entity, Alliance Construction, LLC ("Alliance").

Cornerstone Group Development, LLC is owned by Mr. Lopez (50%), by Mr. Meyers (30%), by Mr. Wolfe (10%), and by Ms. Mades (10%).

Contact Person(s): Mara S. Mades
Senior Vice President
Cornerstone Group Development, LLC

Telephone (305) 443-8288 ext. 131
Facsimile (305) 443-9339
E-Mail mara.mades@cornerstonegrp.com

Applicant Address: c/o Cornerstone Group Development, LLC
2121 Ponce de Leon Boulevard, Penthouse 2
Coral Gables, FL 33134

SAIL PROGRAM CREDIT UNDERWRITING REPORT

Federal Employer ID: 04-3593792

Experience: The Applicant, Eagle Pointe Associates, Ltd. and its General Partner, Cornerstone Eagle Pointe, LLC, were formed to construct, own and operate Eagle Pointe Apartments. In and of themselves, they have no development experience. The principals of the General Partner, Jorge Lopez, Stuart I. Meyers, Leon Wolfe and Mara Mades, however, have many years of experience in the development of affordable housing.

Jorge Lopez and Stuart I. Meyers founded the Cornerstone Group, Coral Gables, FL, in fall 1993. Cornerstone is an integrated real estate firm with operating entities for multifamily residential development, construction and property management. Cornerstone constructs and/or rehabilitates high-rise, mid-rise and garden-style rental properties. It has developed retirement communities in a variety of urban, suburban and rural settings. Cornerstone Group has developed approximately 13,000 units among 52 multifamily affordable properties within the State of Florida.

Credit Evaluation: A March 12, 2005 Dun & Bradstreet Business and Information Report was obtained on The Cornerstone Group and deemed satisfactory by AmeriNational. The report reflects a D&B Rating of "1R3" was applied to this organization. The rating corresponds to 10 or more employees and a composite credit appraisal of "fair".

Pyramid Credit Reports dated March 15, 2005 were obtained on Stuart I. Meyers, Jorge Lopez, Leon J. Wolfe, and Mara S. Mades. The credit reports revealed minor derogatory information on the principals, but were deemed satisfactory by AmeriNational.

Banking References: The Applicant provided banking references for the Cornerstone Group and its principals verifying liquidity in the low-mid seven figures.

Financial Statements: The Applicant provided financial statements on the Applicant, the General Partner, the Developer, and the principals. The financial statements are summarized as follows:

Eagle Pointe Associates, Ltd.

12/31/2004 (Audited)

Cash and Cash Equivalents:	\$	381,787
Total Assets:	\$	19,651,070
Total Liabilities:	\$	14,215,410
Total Equity:	\$	5,435,660

The financial information is based upon audited financial statements certified on February 14, 2005 by Reznick Group, P.C.

Cornerstone Eagle Pointe, LLC

SAIL PROGRAM CREDIT UNDERWRITING REPORT

3/10/2005 (Unaudited)

Cash and Cash Equivalents:	\$	1,000
Total Assets:	\$	1,000
Total Liabilities:	\$	-0-
Total Equity:	\$	1,000

The financial information is based upon an internally prepared, unaudited balance sheet certified on March 10, 2005 by Mara Mades, Vice President.

Cornerstone Group Development, LLC & Cornerstone Group Development Corporation

12/31/2004 (Unaudited)

Cash and Equivalents:	\$	4,238,209
Total Assets:	\$	34,655,058
Total Liabilities:	\$	1,000,385
Total Equity:	\$	33,654,673

Cornerstone Group Development, LLC & Cornerstone Group Development Corporation

12/31/2003 (Audited)

Cash and Equivalents:	\$	4,811,715
Total Assets:	\$	36,116,348
Total Liabilities:	\$	7,619,808
Total Equity:	\$	28,496,540

The financial information is based upon a December 31, 2004 internally prepared unaudited balance sheet was provided and certified on March 14, 2005 by Mara Mades. In addition, a December 31, 2003 combined, audited financial statement certified by Reznick Fedder & Silverman on March 17, 2004 was provided along with a Statement of No Adverse Change dated April 8, 2005.

Stuart I. Meyers

12/31/04 (Unaudited)

Cash and Securities:	\$	679,249
Total Assets:	\$	59,302,346
Total Liabilities:	\$	10,621,499
Total Equity:	\$	48,680,847

The financial information is based upon an unaudited personal financial statement certified on January 28, 2005 by Stuart Meyers. along with a Statement of No Adverse Change dated April 8, 2005.

Jorge Lopez

12/31/2004 (Unaudited)

Cash and Securities:	\$	1,637,518
Total Assets:	\$	97,678,752
Total Liabilities:	\$	7,524,286
Total Equity:	\$	90,154,466

SAIL PROGRAM CREDIT UNDERWRITING REPORT

The financial information is based upon an unaudited personal financial statement certified on January 31, 2005 by Jorge Lopez along with a Statement of No Adverse Change dated April 8, 2005.

Leon J. Wolfe

12/31/2004 (Unaudited)

Cash and Securities:	\$	407,243
Total Assets:	\$	1,761,130
Total Liabilities:	\$	20,000
Total Equity:	\$	1,741,130

The financial information is based upon an unaudited personal financial statement certified on December 31, 2004 by Leon Wolfe along with a Statement of No Adverse Change dated April 8, 2005.

Mara S. Mades

12/31/2004 (Unaudited)

Cash and Securities:	\$	272,287
Total Assets:	\$	722,287
Total Liabilities:	\$	265,000
Total Equity:	\$	457,287

The financial information is based upon an unaudited personal financial statement certified on December 31, 2004 by Mara Mades along with a Statement of No Adverse Change dated April 8, 2005.

Stuart I. Meyers Family Partnership, Ltd.

2/28/2005 (Unaudited)

Cash and Equivalents:	\$	6,006,230
Total Assets:	\$	16,572,739
Total Liabilities:	\$	0
Total Equity	\$:	16,572,739

The financial information is based upon an unaudited financial statement certified on April 8, 2005 by Tami Weaver. AmeriNational received and reviewed a Year 2003 Tax Return certified on January 5, 2005 by Reznick Group, P.C. No further financial information is available on the Partnership.

AmeriNational also received the 2002 and 2003 Federal Tax Returns for the above entities as well as the 2004 Federal Tax Return Extensions for the General Partner and Cornerstone Group Development, LLC.

Contingent Liabilities: Based upon its review of Schedule of the principals' Contingent Liabilities dated March 14, 2005, AmeriNational concludes that Stuart I. Meyers, Jorge Lopez, Leon J. Wolfe, Mara S. Mades have substantial contingent liabilities. However, the Cornerstone Group Development Corp., Cornerstone Group Development, LLC, JL Holding Corp., SIM Holdings II, LLC, Jorge Lopez, Stuart I. Meyers, Leon J. Wolfe, and Mara S. Mades, are entered into a \$4.5 million Liquidity Maintenance Agreement as required by the FHFC Guarantee Program. According to a January 12, 2005 letter with supporting documentation provided by

SAIL PROGRAM CREDIT UNDERWRITING REPORT

the Applicant, the principals of The Cornerstone Group have collectively maintained a liquidity balance of no less than \$4.5 million. AmeriNational concludes that the guarantors have sufficient liquidity to execute the necessary guarantees.

Summary:

Based on the information provided, the principals have demonstrated a significant experience in the development of affordable housing. Their credit and banking references were evaluated and found to be acceptable.

Guarantor Information

Guarantor(s) Name: Eagle Pointe Associates, Ltd., Cornerstone Eagle Pointe, LLC, Cornerstone Group Development, LLC, Cornerstone Group Development Corp., Stuart I. Meyers Family Partnership, Ltd., and Jorge Lopez, Stuart I. Meyers, Leon J. Wolfe, and Mara S. Mades, individually.

Contact Person(s): Mara S. Mades
Senior Vice President
Cornerstone Group Development, LLC

Telephone (305) 443-8288 ext. 131
Facsimile (305) 443-9339
E-Mail mara.mades@cornerstonegrp.com

Guarantor(s) Address: 2121 Ponce de Leon Boulevard, Penthouse 2
Coral Gables, FL 33134

Nature of the Guarantee: The Guarantors shall provide a Guarantee of Recourse Obligations, standard Guarantees of Operating Deficit and Environmental Indemnity. The Operating Deficit Guarantee will be released upon achievement of 1.10:1 combined debt service coverage for the First Mortgage and SAIL loan for six consecutive months.

Financial Statements: Financial statements for the Guarantors were summarized in the previous Borrower's Information Section.

Contingent Liabilities: Financial statements for the Guarantors were summarized in the previous Borrower's Information Section.

Summary: The Underwriter has received and reviewed the partnership agreements, articles of incorporation, and certificates of status on the Applicant entity and General Partner. In addition, an analysis of creditworthiness of the principals was performed and found to be acceptable.

Syndicator Information

Syndicator Name: MMA Financial, LLC ("MMA"), Boston, MA, or an affiliate.

Contact Person: Barbara A. Tyrell, Vice President
(617) 439-3911 telephone
(617) 439-9978 facsimile

Address: 101 Arch Street, 16th Floor
Boston, MA 02110

Experience: MMA was created through a merger of MuniMae Midland and the Housing Community Investing ("HCI") unit of Lend Lease Real Estate Investments ("Lend Lease"). MuniMae Acquired HCI from Lend Lease and merged HCI with its subsidiary, MuniMae Midland, to create MMA. MMA is not the principal operating subsidiary of MuniMae. MMA is headquartered in Baltimore, MD, with nine regional offices including Boston. In 2004, MMA surpassed the \$1 billion mark for tax credit equity raised, which represents an 89% increase over 2003. As of September 30, 2004, assets under management totaled \$9.3 billion secured by 2,127 properties containing approximately 250,000 units in 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. MuniMae primarily holds tax-exempt multifamily housing bonds. This on-balance sheet portfolio is secured by 177 properties containing 37,581 units in 27 states. MMA originates mortgage loans for multifamily properties through the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). MMA is an approved Delegated and Underwriting Servicing ("DUS") and has authority to originate Fannie Mae loans in 50 states.

Financial Statements: The financial statements are summarized as follows:

12/31/2003 (in thousands)

Cash and Equivalents	\$ 50,826
Total Assets	\$ 2,353,684
Total Liabilities	\$ 1,711,849
Total Equity	\$ 641,835

The financial information is based upon audited financial statements certified on March 4, 2004 by PricewaterhouseCoopers, LLP.

Summary: MMA has demonstrated the experience and financial strength to serve as the Equity Investor (Syndicator) for the subject development.

General Contractor Information

General Contractor: Alliance Construction, LLC (“Alliance”)

Type: A Florida Limited Liability Corporation

Contact Person: Frank W. White, III, President
(305) 443-2310 telephone
(305) 443-0537 facsimile

Address: 2121 Ponce de Leon Boulevard, Suite 510
Coral Gables, FL 33134

FL License #: CGC1505356

Experience: Jorge Lopez, Stuart I. Meyers, Leon J. Wolfe and Mara S. Mades have ownership interests in Alliance of 50%, 30%, 10% and 10%, respectively. Alliance has considerable experience in the construction of multifamily affordable housing properties. It has been responsible for the construction/rehabilitation of more than 12,000+ multifamily affordable housing units since inception. Alliance has constructed most of the properties developed and currently managed by affiliates of the Cornerstone Development Group. Prior to the formation of Cornerstone, Mr. Lopez and Mr. Meyers were senior officers of The Related companies of Florida (“Related”). At Related, they were responsible for the construction of more than 2,000 units of multifamily affordable housing in South Florida.

Credit Evaluation: A March 12, 2005 Dun & Bradstreet Business and Information Report was obtained on Alliance and deemed satisfactory by AmeriNational. The report reflects a D&B Rating of “3A3” was applied to this organization. The rating corresponds to an organization with financial strength of “\$1 to \$10 million” and a composite credit appraisal of “fair”.

Banking References: Bank and business references for Alliance reported satisfactory payment relationships.

Financial Statements: The Applicant provided financial statements and two years of tax returns (2002, & 2003) on the General Contractor along with the 2004 extension. A summary of the financial statements is as follows:

Alliance Construction, LLC.

12/31/2004

Cash and Equivalents:	\$ 635,698
Total Assets:	\$ 23,535,875
Total Liabilities:	\$ 19,152,722
Total Equity:	\$ 4,383,153

The financial information is based upon an unaudited balance sheet certified on March 14, 2005 by Mara Mades along with a statement of No Adverse Change dated April 8, 2005.

SAIL PROGRAM CREDIT UNDERWRITING REPORT

**Alliance Construction, LLC &
Alliance Construction, Inc.**

12/31/2003

Cash and Equivalents:	\$ 6,706,967
Total Assets:	\$ 30,202,195
Total Liabilities:	\$ 25,428,092
Total Equity:	\$ 4,774,103

The financial information is based upon a combined, audited financial statement certified by Reznick Fedder & Silverman on March 17, 2004

Summary:

The subject development has completed construction, received all of the certificates of occupancy, and is 99% occupied.

Property Manager Information

Management

Company: Cornerstone Residential Management, LLC ("CRM")

Type: A Florida Limited Liability Company

Contact Person: Nola Castillo, Senior Vice President
(305) 443-8288 telephone
(305) 443-9339 facsimile

Address: 2121 Ponce de Leon Boulevard, Penthouse 2
Coral Gables, FL 33134

Experience: Based upon a resume provided to AmeriNational, CRM provides complete marketing, leasing, administrative, accounting, and compliance services. CRM currently manages a portfolio of more than 6,800 affordable apartment units in the State of Florida. Ms. Nola Castillo, Senior Vice President of CRM will be directly responsible for the management of Eagle Pointe Apartments. CRM is 50% owned by Jorge Lopez, 30% by Stuart I. Meyers, 10% by Leon J. Wolfe and 10% by Mara S. Mades

Management

Agreement: The Applicant submitted a Property Management Agreement with CRM dated July 9, 2002 that reflects a monthly management fee of 5% of Gross Collections. The agreement contains the appropriate verbiage regarding compliance with tenant income and restrictions.

Management Plan: The Applicant submitted a Management Plan for Eagle Pointe that outlines the various policies and procedures to be implemented in the managing the development.

Summary: The management company has good experience in the management of affordable multifamily housing and is currently an FHFC Compliance Department approved Management Company. Continued approval is contingent upon ongoing satisfactory performance

SAIL PROGRAM CREDIT UNDERWRITING REPORT

Exhibit 1															
Eagle Pointe Apartments															
15 Year Income and Expense Projection															
DESCRIPTION	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
Income															
Gross Potential Rental Revenue	\$1,751,652	\$1,804,202	\$1,858,328	\$1,914,077	\$1,971,500	\$2,030,645	\$2,091,564	\$2,154,311	\$2,218,940	\$2,285,509	\$2,354,074	\$2,424,696	\$2,497,437	\$2,572,360	\$2,649,531
Other Income															
Washer/Dryer Rentals	\$60,480	\$62,294	\$64,163	\$66,088	\$68,071	\$70,113	\$72,216	\$74,383	\$76,614	\$78,913	\$81,280	\$83,718	\$86,230	\$88,817	\$91,481
Cable TV	\$17,280	\$17,798	\$18,332	\$18,882	\$19,449	\$20,032	\$20,633	\$21,252	\$21,890	\$22,546	\$23,223	\$23,920	\$24,637	\$25,376	\$26,138
Miscellaneous	\$23,040	\$23,731	\$24,443	\$25,176	\$25,932	\$26,710	\$27,511	\$28,336	\$29,186	\$30,062	\$30,964	\$31,893	\$32,850	\$33,835	\$34,850
Intrusion Alarms	\$6,912	\$7,119	\$7,333	\$7,553	\$7,780	\$8,013	\$8,253	\$8,501	\$8,756	\$9,019	\$9,289	\$9,568	\$9,855	\$10,151	\$10,455
Gross Potential Income	\$1,859,364	\$1,915,145	\$1,972,599	\$2,031,777	\$2,092,731	\$2,155,512	\$2,220,178	\$2,286,783	\$2,355,387	\$2,426,048	\$2,498,830	\$2,573,795	\$2,651,008	\$2,730,539	\$2,812,455
Less:															
Vacancy Loss @ 4.0%	\$74,375	\$76,606	\$78,904	\$81,271	\$83,709	\$86,220	\$88,807	\$91,471	\$94,215	\$97,042	\$99,953	\$102,952	\$106,040	\$109,222	\$112,498
Collection Loss @ 1%	\$18,594	\$19,151	\$19,726	\$20,318	\$20,927	\$21,555	\$22,202	\$22,868	\$23,554	\$24,260	\$24,988	\$25,738	\$26,510	\$27,305	\$28,125
Total Effective Gross Income	\$1,766,396	\$1,819,388	\$1,873,969	\$1,930,188	\$1,988,094	\$2,047,737	\$2,109,169	\$2,172,444	\$2,237,617	\$2,304,746	\$2,373,888	\$2,445,105	\$2,518,458	\$2,594,012	\$2,671,832
Expenses															
Fixed:															
Real Estate Taxes	\$182,528	\$189,829	\$197,422	\$205,319	\$213,532	\$222,073	\$230,956	\$240,194	\$249,802	\$259,794	\$270,186	\$280,993	\$292,233	\$303,923	\$316,079
Insurance	\$81,600	\$84,864	\$88,259	\$91,789	\$95,460	\$99,279	\$103,250	\$107,380	\$111,675	\$116,142	\$120,788	\$125,619	\$130,644	\$135,870	\$141,305
Variable:															
Management @ 5%	\$88,320	\$90,969	\$93,698	\$96,509	\$99,405	\$102,387	\$105,458	\$108,622	\$111,881	\$115,237	\$118,694	\$122,255	\$125,923	\$129,701	\$133,592
General and Administrative	\$59,000	\$61,360	\$63,814	\$66,367	\$69,022	\$71,783	\$74,654	\$77,640	\$80,746	\$83,975	\$87,334	\$90,828	\$94,461	\$98,239	\$102,169
Payroll Expenses	\$156,250	\$162,500	\$169,000	\$175,760	\$182,790	\$190,102	\$197,706	\$205,614	\$213,839	\$222,392	\$231,288	\$240,540	\$250,161	\$260,168	\$270,574
Utilities	\$112,320	\$116,813	\$121,485	\$126,345	\$131,399	\$136,654	\$142,121	\$147,805	\$153,718	\$159,866	\$166,261	\$172,911	\$179,828	\$187,021	\$194,502
Marketing and Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and Repairs	\$43,200	\$44,928	\$46,725	\$48,594	\$50,538	\$52,559	\$54,662	\$56,848	\$59,122	\$61,487	\$63,947	\$66,504	\$69,165	\$71,931	\$74,808
Grounds Maintenance and Landscaping	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077	\$29,200	\$30,368	\$31,582	\$32,846	\$34,159	\$35,526	\$36,947	\$38,425	\$39,962	\$41,560
Painting and Decorating	\$7,680	\$7,987	\$8,307	\$8,639	\$8,985	\$9,344	\$9,718	\$10,106	\$10,511	\$10,931	\$11,368	\$11,823	\$12,296	\$12,788	\$13,299
Reserve for Replacements	\$38,400	\$38,400	\$38,400	\$38,400	\$38,400	\$38,400	\$39,936	\$41,533	\$43,195	\$44,923	\$46,719	\$48,588	\$50,532	\$52,553	\$54,655
Total Expenses	\$793,298	\$822,611	\$853,069	\$884,719	\$917,607	\$951,781	\$988,828	\$1,027,327	\$1,067,334	\$1,108,908	\$1,152,112	\$1,197,010	\$1,243,668	\$1,292,155	\$1,342,544
Net Operating Income	\$973,098	\$996,777	\$1,020,900	\$1,045,469	\$1,070,487	\$1,095,956	\$1,120,341	\$1,145,117	\$1,170,284	\$1,195,838	\$1,221,776	\$1,248,095	\$1,274,791	\$1,301,857	\$1,329,288
Debt Service Payments															
First Mortgage - MMRB	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422	\$820,422
Second Mortgage - HOME	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$41,000	\$55,000	\$69,000	\$84,000
Third Mortgage - SAIL	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347	\$42,347
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$865,769	\$865,769	\$865,769	\$865,769	\$865,769	\$865,769	\$865,769	\$865,769	\$865,769	\$875,769	\$889,769	\$903,769	\$917,769	\$931,769	\$946,769
Operating Income After Debt Service - Before Tax Cash Flow	\$107,329	\$131,009	\$155,132	\$179,701	\$204,719	\$230,187	\$254,572	\$279,349	\$304,515	\$320,069	\$332,008	\$344,327	\$357,022	\$370,088	\$382,519
Debt Service Coverage Ratios															
Debt Service Coverage - MMRB Loan only	1.186	1.215	1.244	1.274	1.305	1.336	1.366	1.396	1.426	1.458	1.489	1.521	1.554	1.587	1.620
Debt Service Coverage - MMRB & HOME	1.182	1.211	1.240	1.270	1.300	1.331	1.361	1.391	1.421	1.435	1.442	1.449	1.456	1.464	1.470
Debt Service Coverage - All Mortgages	1.124	1.151	1.179	1.208	1.236	1.266	1.294	1.323	1.352	1.365	1.373	1.381	1.389	1.397	1.404
Financial Ratios															
Operating Expense Ratio	45%	45%	46%	46%	46%	46%	47%	47%	48%	48%	49%	49%	49%	50%	50%
Break-even Ratio	89%	88%	87%	86%	85%	84%	84%	83%	82%	82%	82%	82%	82%	81%	81%

Exhibit 2
Eagle Pointe Apartments (2004-061S)
Broward County
Description of Features and Amenities

A. The Development will consist of 192 garden apartment units located in 7 residential buildings.

Unit Mix:	60	One bedroom / one bath units containing a minimum of 700 square feet per unit of heated and cooled living area
	72	Two bedroom / two bath units containing a minimum of 950 square feet per unit of heated and cooled living area
	60	Three bedroom / two bath units containing a minimum of 1,150 square feet per unit of heated and cooled living area
	192	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 order has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state and federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act ("ADA"), as applicable.

B. Each **UNIT** will be fully equipped with the following:

1. Air conditioning (window units are not allowed, however, through-wall units are permissible for rehabilitation)
2. Window treatments for each window
3. Termite prevention and pest control throughout the entire affordability period
4. Cable or satellite TV hook-up
5. Range, oven and refrigerator
6. At least two full bathrooms in all three bedroom or larger new construction units
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units

C. The Borrower has committed to provide the following features in each **UNIT**:

1. At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all two bedroom new construction units

SAIL PROGRAM CREDIT UNDERWRITING REPORT

2. Marble window sills
3. Dishwasher in all new construction units
4. Garbage disposal in all new construction units
5. Laundry hook-ups and space for full-size washer and dryer

D. The Borrower has committed to the following amenities in the **DEVELOPMENT**:

1. Gated community with “carded” entry or security guard, or if 2 or more stories, “carded” secure entry to building
2. Exercise room with appropriate equipment
3. Community center or clubhouse
4. Swimming pool
5. Playground/tot lot, accessible to children with disabilities (must be sized in proportion to Development’s size and expected resident population with age-appropriate equipment)
6. Thirty-year expected life roofing on all buildings
7. Laundry facilities with full-size washers and dryers available in at least one common area on site
8. Exterior lighting in open and common areas
9. Computer lab on-site with minimum of one computer per 50 units, with basic word processing, spreadsheets and assorted educational and entertainment software programs, and at least one printer

E. The Borrower has committed to provide the following energy conservation features for all **BUILDINGS** in the Development:

1. Air conditioning with SEER rating of 12 or better
2. Gas water heater with energy factor of .58 or better or electric water heater with energy factor of .91 or better (To meet the .91 energy factor, the Developer will install an R-11 fiberglass tank wrap insulation on the sides and tops of the water heaters and add foam pipe insulation on the hot and cold water lines.)
3. Wall insulation of R-13 or better for frame-built construction or wall insulation of R-7 or better for masonry/concrete block construction
4. Attic insulation of R-30 or better

SAIL PROGRAM CREDIT UNDERWRITING REPORT

5. Single-pane windows with shading coefficient of .67 or better
 6. Ceiling fans in all bedrooms and living area in each unit
- F.** The Borrower has committed to provide the following Resident Programs:
1. Welfare to Work or Self-Sufficiency Programs: The Borrower commits to actively seek residents who are participating in or who have successfully completed the training provided by these types of programs.
 2. Homeownership Opportunity Program – Financial Assistance with Purchase of a Home: Borrower commits to provide a financial incentive which includes the following provisions:
 - a. the incentive must be applicable to the home selected by the resident and may not be restricted to or enhanced by the purchase of homes in which the Borrower, Developer, or other related party has an interest;
 - b. the incentive must be not less than 5% of the rent for the resident's unit during the resident's entire occupancy (Note: Resident will receive the 5% credit for all months for which the resident is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
 - c. the benefit must be in the form of a gift or grant and may not be a loan of any nature;
 - d. the benefits of the incentive must accrue from the beginning of occupancy;
 - e. the vesting period can be no longer than 2 years of continuous residency; and
 - f. no fee, deposit or any other such charge can be levied against the resident as a condition of participation in this program
 3. First Time Homebuyer Seminars: Borrower or its Management Agent must arrange for and provide, at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners.
 4. Job Training: Borrower or its Management Agent must provide, at no cost to the resident, regularly scheduled classes in keyboarding, computer literacy, secretarial skills or other useful job skills, which will be provided at least once each quarter. If the training is not provided on-site, transportation at no cost to the resident must be provided.
 5. Health Care: At least quarterly visits by health care professionals such as nurses, doctors, or other licensed care providers. At a minimum, the following services must be provided: health screening, flu shots, vision and hearing tests. Regularly scheduled is defined as not less often than once each quarter. On-site space must be provided. Service must be provided at no cost to the residents, with the exception that the residents may be charged for medications.
 6. Resident Activities: These specified activities are planned, arranged, provided and paid for by the Borrower or its Management Agent. These activities must be an integral part of the management plan. The Borrower must develop and execute a comprehensive plan of varied activities that brings the residents together and

SAIL PROGRAM CREDIT UNDERWRITING REPORT

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.

7. Health and Nutrition Classes: At least eight hours per year, provided on site at no cost to the residents.
8. Financial Counseling: This service must be provided by the Borrower or its Management Agent, at no cost to the resident, and must include the following components: must be regularly scheduled at least once each quarter; must include tax preparation assistance by qualified professionals; must include educational workshops on such topics as "Learning to Budget", "Handling Personal Finances", "Predatory Lending", or "Comparison Shopping for the Consumer".

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT

NAME: EAGLE POINTE APARTMENTS

DATE: April 8, 2005

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 and in the “Issues and Concerns” section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development’s final “as submitted for permitting” plans and specifications. Note: Final “signed, sealed, and approved for construction” plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis (“PCA”).	Unsatis.	(1)
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	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.	Satis.	
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.	

COMPLETENESS AND ISSUES CHECKLIST

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 35% 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.	

8/14/03

NOTES AND DEVELOPER RESPONSES:

1. Consultech reviewed the Features and Amenities committed to in the 2002 FHFC Application for MMRB funding and noted the Building Plans and Specification included all Features and Amenities committed to in the Application. Consultech noted that each of the development's units were to receive a 30- or 40- gallon electric water heater (energy factor specified as .89 and .88 respectively) located in the mechanical closet. The development's construction was completed in May 2004. The Applicant committed to the following Energy Conservation Feature in its 2004 Application for SAIL funding: (Gas water heater with energy factor of .58 or electric water heater with energy factor of .91 or better).

At the time of underwriting, compliance with this energy feature committed to in the Application has not been met. In order to comply with the energy conservation factor committed to in the Application, the Developer has agreed to install R-11 fiberglass tank-wrap insulation on the sides and tops of the water heaters and to add foam pipe insulation on the hot and cold water lines. According to an October 3, 2003 In-Field Energy Efficiency Improvements Analysis performed by Dr. Carl C. Hiler, P.E. of Applied Energy Technology, installation of the insulation wrap to the hot water heaters and adding the foam over the pipes will actually increase the energy factor beyond the .91 requirement to .93. Consultech has investigated the various methods available for increased in the energy efficiency of the water heaters and concurs with the analysis. Satisfactory confirmation from Consultech prior to final SAIL funding that this procedure has been completed is a condition of this report found in Section B.

Applicant's Response:

None