

COPY

BEFORE THE FLORIDA HOUSING FINANCE CORPORATION

CLERMONT RRH, LTD./SUNNY HILL
APARTMENTS,

Petitioner,

vs.

APPLICATION NO. 2005-004C

FLORIDA HOUSING FINANCE
CORPORATION,

Respondent.

_____ /

PETITION FOR HEARING

Petitioner, Clermont RRH, Ltd./Sunny Hill Apartments (hereinafter "Petitioner"), files this Petition pursuant to §§ 120.569 and 12.57(1), Fla. Stat., stating:

1. Petitioner's address is 516 Lakeview Road, Villa 8, Clearwater, Florida 33756. For the purpose of this Petition, however, Petitioner's address is that of the undersigned counsel.

2. The affected agency is the Florida Housing Finance Corporation ("FHC"), 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329.

3. Petitioner filed an application with the FHFC for housing credits program rural/development set aside ("HC") for the acquisition and rehabilitation of an existing garden apartment complex. The complex consists of nine buildings containing 33 units. Petitioner's application number is 2005-004C.

FILED WITH THE CLERK OF THE FLORIDA
HOUSING FINANCE CORPORATION

Mason /DATE. 6/14/05

4. FHFC scores and ranks applications for the HC program pursuant to the Universal Application Package Instructions ("Application Instructions"), which are adopted as rules pursuant to Rule 67-21.003(1)(a), Florida Administrative Code.

5. The 2005 Scoring Summary dated April 15, 2005 notified Petitioner of possible scoring errors ("NOPSE") and items to be addressed by the Petitioner (Exhibit A). Petitioner timely filed a cure to these items, including construction and equity financing commitment letters from Fifth Third Bank in lieu of the original commitment letter from MMA Financial.

6. Petitioner received the Final Scores and Notice of Alleged Deficiencies with the Universal Scoring Summary dated May 25, 2005 (Exhibit B).

7. The Universal Scoring Summary dated May 25, 2005 was the first time that Petitioner was notified of FHFC's determination that there was a construction/rehabilitation financing shortfall as to the third equity payment. Petitioner was not notified in the April 15, 2005 Scoring Summary even though the language giving rise to FHFC's determination of a shortfall was in the original MMA Financials commitment letter (see Application, Tab 59, attached as Exhibit C). Consequently, Petitioner was not given an opportunity to cure or explain the perceived shortfall prior to the final determination.

8. FHFC determined that Petitioner failed threshold due to a construction/rehabilitation financing shortfall of \$42,295. FHFC arrived at this determination in the following manner:

a. FHFC did not give Petitioner credit for \$106,000 in construction/rehabilitation financing contained in a commitment letter from Fifth Third Bank (see attached Exhibit D). The commitment letter was for a total of \$530,000 in equity financing of which \$424,000 was to be paid prior to and at construction completion. FHFC only gave Petitioner credit for \$318,000 (see Exhibit B, page 4).

b. In the Application, Petitioner had used a figure of \$120,000 as a deferred developer fee under "Sources of Funds," "Construction and Rehab Analysis" Part V. "Financing of the Application. This section of the Application also indicated an \$8,705 surplus of construction financing (attached as Exhibit E).

c. FHFC increased the developer fee to the maximum \$175,000 (see page 4, Exhibit B). The difference between the \$120,000 developer fee shown in the Application and the \$175,000 allowed by FHFC is \$55,000 added to the \$8,705 surplus for a total of \$63,705 in additional funds. Subtracting those additional funds from the \$106,000 in construction/rehabilitation financing commitment which was disallowed leaves a \$42,295 shortfall as determined by FHFC.

9. The commitment letter from Fifth Third Bank states that the \$106,000 installment will be paid at "100% construction completion, as evidenced by a third party inspecting architect and receipt of cost and credit certification from the independent accountants."

10. The Universal Application Instructions, page 80, states that an applicant must

State the capital pay-in schedule which must definitively state the amount of equity to be paid prior to or simultaneous with the closing of construction financing, and the amount of equity to be paid prior to construction completion. It must expressly state the equity amount, even if the amount is zero, along with the words "paid prior to or simultaneous with the closing of construction financing".

11. The Application, however, in the "Construction Rehab Analysis" section B.4. where the \$424,000 is indicated reads "HC equity proceeds paid prior to Completion of Construction which is . . . in the case of Rehabilitation, prior to placed in service date as determined by the Applicant." (emphasis supplied)

12. FHFC should have accepted the \$106,000 as construction financing.

a. The Universal Application Instructions provide that the applicant must "[s]tate the capital pay-in schedule" which must state the amount of equity to be paid prior or simultaneous with the closing of the construction financing and "the amount of equity to be paid prior to construction completion." This instruction does not require that all payments be paid prior to construction completion, it simply requires that the amount paid prior to construction completion be stated. Petitioner's commitment letter stated the amounts to be paid at various stages of construction/rehabilitation as required by the application.

b. In the application form where the amount of money, including \$106,000 is indicated, it is stated that the equity proceeds for a rehabilitation project must be paid prior to the project "being placed in service." These proceeds (\$106,000) will be

paid prior to the project being "placed in service" and there is no indication to the contrary in the application.

c. The commitment letter states that the \$106,000 will be paid at construction completion. There is no indication, however, that it will not be used for construction costs and the applicant has every intent to do so. While payment of the proceeds are to be made when construction is complete, that does not indicate that all costs of construction will have been paid by that time. Petitioner intends to use the \$106,000 to pay for the cost of construction/rehabilitation.

13. Petitioner's substantial interests are affected by this proceeding because it has a substantial interest in obtaining housing credit requested in its application.

14. The disputed issues of material fact include, but are not limited to, the following:

a. whether the \$106,000 in the commitment letter can be used to pay construction/rehabilitation costs;

b. whether the Universal Application Instructions require all construction/rehabilitation financing proceeds be paid out prior to completion of construction/rehabilitation;

c. whether the construction/rehabilitation financing proceeds will be paid out prior to the rehabilitation project being "placed in service."

d. whether the Petitioner has the financial ability to construct this project;
and

e. whether there is a construction/rehabilitation financing shortfall.

15. The ultimate facts relied on by Petitioner include, but are not limited to, the following:

a. Petitioner has the financial ability to construct this project (see attached Composite Exhibit F);

b. the construction/rehabilitation finance proceeds under the commitment letter will be paid out prior to the project being placed in services;

c. the \$106,000 to be paid at construction completion will be used to pay the cost of construction/rehabilitation;

d. the Universal Application Instructions do not require that all construction/rehabilitation financing proceeds be paid out prior to completion of construction; and

e. there is no construction/rehabilitation financing shortfall.

WHEREFORE, Petitioner requests the following relief:

1. That this Petition be transferred to the Division of Administrative Hearings for the appointment of an Administrative Law Judge, who will conduct a hearing in accordance with § 120.57(1), Fla. Stat.

2. The entry of a recommended and final order finding that

(a) there is no construction/rehabilitation financing shortfall in the application;

(b) the application met threshold;

(c) the application should be ranked and housing credits should be awarded;

and

(d) such other and further relief as may be deemed appropriate.

Respectfully submitted,

A handwritten signature in black ink that reads "Cynthia S. Tunniff". The signature is written in a cursive style with a horizontal line drawn through the middle of the name.

CYNTHIA S. TUNNICLIFF

Florida Bar Number: 0134939

PENNINGTON, MOORE, WILKINSON,
BELL & DUNBAR, P.A.

215 South Monroe Street, 2nd Floor (32301)

Post Office Box 10095

Tallahassee, Florida 32302-2095

Telephone: 850/222-3533

Facsimile: 850/222-2126

2005 NOTICE OF ALLEGED DEFICIENCIES (NOAD) SUMMARY FORM

This NOAD Summary Form is being submitted with regard to Application No. 2005-_____ and pertains to the revisions/additions made to the Application parts, sections, subsections, and exhibits listed below (please list the parts, sections, subsections, and exhibits in the order they appear on the most recent Scoring Summary Report with regard to the Application revisions/additions being challenged):

Part (I, II, III, IV, or V)	Section (A, B, C, D, etc.)	Subsection (1, 2, 3, etc. or 1.a., 2.a., etc.)	Exhibit (1, 2, 3, etc.)	Submitted in Response to:			Created by:	
				Reason Score Not Maxed (Provide Item No. from Application Scoring Summary)	Reason Failed Threshold (Provide Item No. from Application Scoring Summary)	Proximity Scoring Item No. (Provide Item No. from Application Scoring Summary)	Mark this Column if Item No. indicated in "Submitted in Response to" column(s) resulted from Preliminary Scoring	Mark this Column if Item No. indicated in "Submitted in Response to" column(s) resulted from NOPSE Scoring and state NOPSE Tracking No., if known.
				S	T	P		
				S	T	P		
				S	T	P		
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SUBMITTED BY Application No. 2005-_____ IN ACCORDANCE WITH RULES 67-21.003 AND/OR

67-48.004, F.A.C.



2005 MMRB, SAIL & HC Scoring Summary

As of: 04/14/2005

Development Name: Sunny Hill Apartments

File # 2005-004C

As of:	Total Points	Met Threshold?	Proximity Tie-Breaker Points	Corporation Funding per Set-Aside Unit	SAIL Request Amount as Percentage of Development Cost	Is SAIL Request Amount Equal to or Greater than 10% of Total Development Cost?
04 - 14 - 2005	61	N	3.75	\$15,568.18	%	N
Preliminary	61	N	3.75	\$15,568.18	%	N
NOPSE	61	N	3.75	\$15,568.18	%	N
Final	0	N	0	0	0	
Final-Ranking	0	N	0	0	0	

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1S	III	B	2.a.	Optional Features & Amenities	9	0	0	0	0
1S	III	B	2.b.	New Construction	9	9	9	0	0
2S	III	B	2.c.	Rehabilitation/Substantial Rehabilitation	12	12	12	0	0
2S	III	B	2.d.	All Developments Except SRO	12	0	0	0	0
3S	III	B	2.e.	SRO Developments	9	9	9	0	0
				Energy Conservation Features					
				Set-Aside Commitments					
4S	III	E	1.b.	Total Set-Aside Percentage	3	3	3	0	0
5S	III	E	1.c.	Set-Aside Breakdown Chart	5	5	5	0	0
6S	III	E	3	Affordability Period	5	0	0	0	0
				Resident Programs					
7S	III	F	1	Programs for Non-Elderly & Non-Homeless	6	6	6	0	0
7S	III	F	2	Programs for Homeless (SRO & Non-SRO)	6	0	0	0	0
7S	III	F	3	Programs for Elderly	6	0	0	0	0
8S	III	F	4	Programs for All Applicants	8	8	8	0	0
				Local Government Support					
9S	IV		a.	Contributions	5	5	5	0	0
10S	IV		b.	Incentives	4	4	4	0	0

2005 MMRB, SAIL & HC Scoring Summary

As of: 04/14/2005

File # 2005-004C Development Name: Sunny Hill Apartments

Reason(s) Scores Not Maxed:

Reason(s)		Created As Result	Rescinded as Result
6S	Applicant failed to select an Affordability Period and therefore failed to achieve any points.	Preliminary	
Threshold(s) Failed:			
Item #	Part Section Subsection	Description	Reason(s)
1T	III C 2	Site Control	Neither the 6/17/04 Option to Purchase Real Property nor the 5/28/04 Letter Agreement referenced therein provide that the buyer's remedy for default on the part of the seller includes or is specific performance.
2T	III C 2	Site Control	In the opening paragraph and paragraph 4.d. of the 5/28/04 Letter Agreement, there are references to a Purchase Agreement that will be entered into among the parties. At paragraph 14. of the Letter, there is a provision that the Letter is intended to be a binding agreement, the terms and conditions of which shall be superseded to the extent set forth in the fully executed and delivered Purchase Agreement. Since the terms and conditions of the Letter will be superseded by the Purchase Agreement and the Agreement was not provided, it cannot be determined whether the Purchase Agreement meets the requirements of a qualified contract as outlined in the Universal Application Instructions. In addition, there is no indication that the Applicant will be a party to the Purchase Agreement or that it has been assigned to the Applicant.
3T	III C 2	Site Control	The 5/28/04 Letter Agreement is incomplete. Paragraph 4.a. of the Letter references a Schedule A, a list of documents, and this information was not provided.
4T	III C 2	Site Control	Paragraphs 3.a. - d. and 14. of the 5/28/04 Letter Agreement refer to other persons or entities with interest in the property. These other persons or entities are not parties to the Option to Purchase Real Property or the Letter Agreement.
5T	V D	Equity Commitment	The Applicant provided an equity commitment from MMA Financial. Page 2 of the commitment states that the Partnership expects to receive a USDA RD loan commitment for \$750,000. There is no evidence within the Application that this will occur. Thus, the equity commitment was not scored firm and does not count as a source of financing.
6T	V D	Equity Commitment	The Applicant provided an equity commitment from MMA Financial. Page 80 of the Universal Application Instructions states as part of the criteria for a firm equity commitment that the commitment must state an equity amount to be paid prior to or simultaneous with the closing of construction financing that is at least 35% of the total equity to be provided. Page 2 of the provided equity commitment states that 35% of the equity will be provided at the later of 3 stated events and does not specifically provide that 35% will be paid prior to or simultaneous with the closing of

2005 MMRB, SAIL & HC Scoring Summary

As of: 04/14/2005

Development Name: Sunny Hill Apartments

File # 2005-004C

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
7T	V	D		Equity Commitment	<p>construction financing. Therefore, the equity commitment was not scored firm and not counted as a source of financing.</p> <p>The Applicant provided an equity commitment from MMA Financial. (Item g) on Page 6 of the commitment states it is subject to MMA Investment Committee approval. Page 77 of the Universal Application Instructions states that any commitment subject to committee approval will not be considered firm. As such, the equity commitment was not scored firm and was not counted as a source of financing.</p>	Preliminary	
8T	V	D		Permanent Third Mortgage	<p>The Applicant listed a third mortgage of \$250,000 for permanent financing and listed Exhibit 58 as the place that documentation for a firm commitment would be. The only documentation referencing permanent financing at Exhibit 58 is a USDA RD letter encouraging the Applicant to apply for a \$250,000 loan in 2005. Therefore, the listed \$250,000 permanent third mortgage was not counted as a source of financing.</p>	Preliminary	
9T	V	D		Construction Loan Commitment	<p>The Applicant provided a construction loan commitment from MMA Financial for \$250,000. Page 77 of the Universal Application Instructions states as one of the criteria for a firm debt commitment that it contain a statement that the commitment does not expire before December 31, 2005. The MMA Financial loan commitment has no such statement. Thus, the commitment was not scored firm and was not counted as a source of financing.</p>	Preliminary	
10T	V	D		Construction Loan Commitment	<p>The Applicant provided a construction loan commitment from MMA Financial for \$250,000. Page 78 of the Universal Application Instructions states if a debt commitment is not from a regulated Financial Institution in the business of making loans or a government entity, evidence of ability to fund must be provided. MMA Financial is not a regulated Financial Institution and the Applicant failed to provide the required documentation listed on page 78 of the Universal Application Instructions evidencing an ability to fund. Thus, the commitment was not scored firm and was not counted as a source of financing.</p>	Preliminary	
11T	V	D		Construction Loan Commitment	<p>The Applicant provided a construction loan commitment from MMA Financial for \$250,000. Item 6.d. on page 2 of the commitment states there will be a 10% hold-back on all construction funds. Page 78 of the Universal Application Instructions states that when there is a provision for holding back funds, the hold-back amount will not be counted as a source of construction financing unless it can be determined that the conditions for the release of the hold-back can be met prior to or simultaneous with the closing of the Development's permanent financing. It cannot be determined from the loan commitment if the 10% hold-back will be released prior to or simultaneous with the closing of the Development's permanent financing. As such, if the loan commitment was determined to be firm, only</p>	Preliminary	

2005 MMRB, SAIL & HC Scoring Summary

As of: 04/14/2005

Development Name: Sunny Hill Apartments

File # 2005-004C

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
12T	V	B		Construction Financing Shortfall	\$225,000 would be counted as being available for construction.	Preliminary	
13T	V	B		Permanent Financing Shortfall	The Application has a construction financing shortfall of \$610,295.	Preliminary	
14T	II	A	3	Developer	The Application has a permanent financing shortfall of \$725,295. The Applicant failed to provide a list of the officers and directors of the Developer entity as of the Application Deadline.	NOPSE	

Proximity Tie-Breaker Points:

Item #	Part	Section	Subsection	Description	Available	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.a.(2)(a)	Grocery Store	1.25	0	0	0	0
2P	III	A	10.a.(2)(b)	Public School	1.25	0	0	0	0
3P	III	A	10.a.(2)(c)	Medical Facility	1.25	0	0	0	0
4P	III	A	10.a.(2)(d)	Pharmacy	1.25	0	0	0	0
5P	III	A	10.a.(2)(e)	Public Bus Stop or Metro-Rail Stop	1.25	0	0	0	0
6P	III	A	10.b.	Proximity to Developments on FHFC Development Proximity List	3.75	3.75	3.75	0	0

Reason(s) for Failure to Achieve Selected Proximity Tie-Breaker Points:

Item #	Reason(s)	Created As Result of	Rescinded as Result of
1P	Applicant did not provide required sketches.	Preliminary	
1P	The latitude and longitude coordinates provided on the Surveyor Certification Form are not stated to one decimal place. As stated on page 13 of the Universal Application Instructions, if the seconds are not stated to one decimal place, the Applicant will not be eligible to receive any proximity tie-breaker points.	NOPSE	
2P	Applicant did not provide required sketches.	Preliminary	
2P	The latitude and longitude coordinates provided on the Surveyor Certification Form are not stated to one decimal place. As stated on page 13 of the Universal Application Instructions, if the seconds are not stated to one decimal place, the Applicant will not be eligible to receive any proximity tie-breaker points.	NOPSE	
3P	Applicant did not provide required sketches.	Preliminary	
3P	The latitude and longitude coordinates provided on the Surveyor Certification Form are not stated to one decimal place. As stated on page 13 of the Universal Application Instructions, if the seconds are not stated to one decimal place, the Applicant will not be eligible to receive any proximity tie-breaker points.	NOPSE	

As of: 05/24/2005

File # 2005-004C

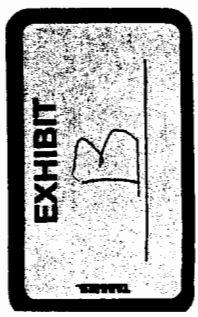
Development Name: Sunny Hill Apartments

2005 MMRB, SAIL & HC Scoring Summary

As Of:	Total Points	Met Threshold?	Proximity Tie-Breaker Points	Corporation Funding per Set-Aside Unit	SAIL Request Amount as Percentage of Development Cost	Is SAIL Request Amount Equal to or Greater than 10% of Total Development Cost?
05 - 24 - 2005	61	N	7.5	\$15,568.18	%	N
Preliminary	61	N	3.75	\$15,568.18	%	N
NOPSE	61	N	3.75	\$15,568.18	%	N
Final	61	N	7.5	\$15,568.18	%	N
Final-Ranking	0	N	0		0	

Scores:

Item #	Part	Section	Subsection	Description	Available Points	Preliminary	NOPSE	Final	Final Ranking
1S	III	B	2.a.	Optional Features & Amenities	9	0	0	0	0
1S	III	B	2.b.	New Construction	9	9	9	9	0
2S	III	B	2.c.	Rehabilitation/Substantial Rehabilitation	12	12	12	12	0
2S	III	B	2.d.	All Developments Except SRO	12	0	0	0	0
3S	III	B	2.e.	SRO Developments	9	9	9	9	0
				Energy Conservation Features					
4S	III	E	1.b.	Set-Aside Commitments	3	3	3	3	0
5S	III	E	1.c.	Total Set-Aside Percentage	5	5	5	5	0
6S	III	E	3	Set-Aside Breakdown Chart	5	0	0	0	0
				Affordability Period					
7S	III	F	1	Resident Programs	8	8	8	8	0
7S	III	F	2	Programs for Non-Elderly & Non-Homeless	8	0	0	0	0
7S	III	F	3	Programs for Homeless (SRO & Non-SRO)	8	0	0	0	0
8S	III	F	4	Programs for Elderly	8	8	8	8	0
				Programs for All Applicants					
				Local Government Support					
9S	IV		a.	Contributions	5	5	5	5	0
10S	IV		b.	Incentives	4	4	4	4	0



2005 MMRB, SAIL & HC Scoring Summary

As of: 05/24/2005

File # 2005-004C Development Name: Sunny Hill Apartments

Reason(s) Scores Not Maxed:

Item #	Reason(s)	Created As Result	Rescinded as Result
6S	Applicant failed to select an Affordability Period and therefore failed to achieve any points.	Preliminary	Final
6S	In an attempt to cure Item 6S, the Applicant selected an affordability period of 30 years. This selection is still insufficient to achieve any points.	Final	

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
1T	III	C	2	Site Control	Neither the 6/17/04 Option to Purchase Real Property nor the 5/28/04 Letter Agreement referenced therein provide that the buyer's remedy for default on the part of the seller includes or is specific performance.	Preliminary	Final
2T	III	C	2	Site Control	In the opening paragraph and paragraph 4.d. of the 5/28/04 Letter Agreement, there are references to a Purchase Agreement that will be entered into among the parties. At paragraph 14. of the Letter, there is a provision that the Letter is intended to be a binding agreement, the terms and conditions of which shall be superseded to the extent set forth in the fully executed and delivered Purchase Agreement. Since the terms and conditions of the Letter will be superseded by the Purchase Agreement and the Agreement was not provided, it cannot be determined whether the Purchase Agreement meets the requirements of a qualified contract as outlined in the Universal Application Instructions. In addition, there is no indication that the Applicant will be a party to the Purchase Agreement or that it has been assigned to the Applicant.	Preliminary	Final
3T	III	C	2	Site Control	The 5/28/04 Letter Agreement is incomplete. Paragraph 4.a. of the Letter references a Schedule A, a list of documents, and this information was not provided.	Preliminary	Final
4T	III	C	2	Site Control	Paragraphs 3.a. - d. and 14. of the 5/28/04 Letter Agreement refer to other persons or entities with interest in the property. These other persons or entities are not parties to the Option to Purchase Real Property or the Letter Agreement.	Preliminary	Final
5T	V	D		Equity Commitment	The Applicant provided an equity commitment from MMA Financial. Page 2 of the commitment states that the Partnership expects to receive a USDA RD loan commitment for \$750,000. There is no evidence within the Application that this will occur. Thus, the equity commitment was not scored firm and does not count as a source of financing.	Preliminary	Final
6T	V	D		Equity Commitment	The Applicant provided an equity commitment from MMA Financial. Page 80 of the Universal Application Instructions states as part of the criteria for a firm equity commitment that the commitment must state an equity amount to be paid prior to or simultaneous with the closing of construction financing that is at least 35% of the total equity to be provided. Page 2 of the provided equity commitment states that 35% of the equity will be provided at the later of 3 stated events and does not	Preliminary	Final

2005 MMRB, SAIL & HC Scoring Summary

As of: 05/24/2005

Development Name: Sunny Hill Apartments

File # 2005-004C

Threshold(s) Failed:

Item #	Part	Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
7T	V	D		Equity Commitment	<p>The Applicant provided an equity commitment from MMA Financial. Item g) on Page 8 of the commitment states it is subject to MMA Investment Committee approval. Page 77 of the Universal Application Instructions states that any commitment subject to committee approval will not be considered firm. As such, the equity commitment was not scored firm and was not counted as a source of financing.</p>	Preliminary	Final
8T	V	D		Permanent Third Mortgage	<p>The Applicant listed a third mortgage of \$250,000 for permanent financing and listed Exhibit 58 as the place that documentation for a firm commitment would be. The only documentation referencing permanent financing at Exhibit 58 is a USDA RD letter encouraging the Applicant to apply for a \$250,000 loan in 2005. Therefore, the listed \$250,000 permanent third mortgage was not counted as a source of financing.</p>	Preliminary	Final
9T	V	D		Construction Loan Commitment	<p>The Applicant provided a construction loan commitment from MMA Financial for \$250,000. Page 77 of the Universal Application Instructions states as one of the criteria for a firm debt commitment that it contain a statement that the commitment does not expire before December 31, 2005. The MMA Financial loan commitment has no such statement. Thus, the commitment was not scored firm and was not counted as a source of financing.</p>	Preliminary	Final
10T	V	D		Construction Loan Commitment	<p>The Applicant provided a construction loan commitment from MMA Financial for \$250,000. Page 78 of the Universal Application Instructions states if a debt commitment is not from a regulated Financial Institution in the business of making loans or a government entity, evidence of ability to fund must be provided. MMA Financial is not a regulated Financial Institution and the Applicant failed to provide the required documentation listed on page 78 of the Universal Application Instructions evidencing an ability to fund. Thus, the commitment was not scored firm and was not counted as a source of financing.</p>	Preliminary	Final
11T	V	D		Construction Loan Commitment	<p>The Applicant provided a construction loan commitment from MMA Financial for \$250,000. Item 6.d. on page 2 of the commitment states there will be a 10% hold-back on all construction funds. Page 78 of the Universal Application Instructions states that when there is a provision for holding back funds, the hold-back amount will not be counted as a source of construction financing unless it can be determined that the conditions for the release of the hold-back can be met prior to or simultaneous with the closing of the Development's permanent financing. It cannot be determined from the loan commitment if the 10% hold-back will be released prior to or simultaneous with the closing of the Development's permanent</p>	Preliminary	Final

2005 MMRB, SAIL & HC Scoring Summary

As of: 05/24/2005

File # 2005-004C

Development Name: Sunny Hill Apartments

Threshold(s) Failed:

Item #	Part Section	Subsection	Description	Reason(s)	Created As Result of	Rescinded as Result of
2T	V	B	Construction Financing Shortfall	financing. As such, if the loan commitment was determined to be firm, only \$225,000 would be counted as being available for construction.	Preliminary	Final
3T	V	B	Permanent Financing Shortfall	The Application has a construction financing shortfall of \$610,285.	Preliminary	Final
4T	II	A	Developer	The Application has a permanent financing shortfall of \$725,285.	NOPSE	Final
5T	V	B	Construction Financing Shortfall	The Applicant failed to provide a list of the officers and directors of the Developer entity as of the Application Deadline. The Applicant has a construction financing shortfall of \$42,285. The construction financing sources the Applicant provided that had funds available prior to completion of construction are: Fifth Third Bank equity - \$318,000, Fifth Third Bank loan - \$250,000, USDA RD mortgage - \$500,000, USDA RD mortgage assumption - \$880,725, and deferred Developer Fee - \$175,000. These sources total \$2,123,725 which is \$42,285 short of the Total Development Cost of \$2,166,020.	Final	

Proximity Tie-Breaker Points:

Item #	Part Section	Subsection	Description	Available	Preliminary	NOPSE	Final	Final Ranking
1P	III	A	10.a.(2)(a) Grocery Store	1.25	0	0	1.25	0
2P	III	A	10.a.(2)(b) Public School	1.25	0	0	1.25	0
3P	III	A	10.a.(2)(c) Medical Facility	1.25	0	0	0	0
4P	III	A	10.a.(2)(d) Pharmacy	1.25	0	0	1.25	0
5P	III	A	10.a.(2)(e) Public Bus Stop or Metro-Rail Stop	1.25	0	0	0	0
6P	III	A	10.b. Proximity to Developments on F/HFC Development Proximity List	3.75	3.75	3.75	3.75	3.75

Reason(s) for Failure to Achieve Selected Proximity Tie-Breaker Points:

Item #	Reason(s)	Created As Result of	Rescinded as Result of
P	Applicant did not provide required sketches.	Preliminary	Final
P	The latitude and longitude coordinates provided on the Surveyor Certification Form are not stated to one decimal place. As stated on page 13 of the Universal Application Instructions, if the seconds are not stated to one decimal place, the Applicant will not be eligible to receive any proximity tie-breaker points.	NOPSE	Final
P	Applicant did not provide required sketches.	Preliminary	Final
P	The latitude and longitude coordinates provided on the Surveyor Certification Form are not stated to one decimal place. As stated on page 13 of the Universal Application Instructions, if the seconds are not stated to one decimal place, the Applicant will not be eligible to receive any proximity tie-breaker points.	NOPSE	Final



February 8, 2005

Clermont RRH, Ltd.
Mr. Thomas F. Flynn
516 Lakeview Road, Unit 8
Clearwater, FL 33756

Re: Sunny Hill Apartments
Clermont, FL

Dear Mr. Flynn:

Thank you for giving us the opportunity to present this proposal to become an equity investor in Sunny Hill Apartments (Property). This letter summarizes the proposed investment terms and conditions by which a limited partnership formed by MMA Financial ("MMA") would acquire an interest in your Property.

Project Assumptions

We have made the following assumptions in evaluating this investment:

Development Structure

- Clermont RRH, Ltd., an Florida limited partnership ("Partnership") has been formed to acquire, develop, construct, rehabilitate, own, and operate the Property.
- MMA will purchase a 99.99% limited partnership interest in the Partnership. A corporation affiliated with MMA will be a Special Limited Partner with certain restricted management rights and a small interest in sale proceeds.
- The General Partner of the Partnership will be CAH, LLC ("General Partner").
- Thomas F. Flynn and CAH, LLC, personally, will jointly and severally guarantee the obligations of the General Partner (the "Guarantors").
- The Management Agent, who will have a minimum of two years of relevant Section 42 management experience, will be Flynn Management Corporation, subject to the approval of MMA.
- The Builder/Contractor will be Flynn Development Corporation. Construction will be secured in a manner acceptable to MMA.

Project Design and Development Schedule

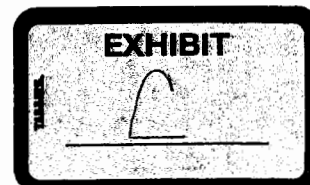
- The Project will be comprised of 33 apartment-style dwellings.
- Unit mix will be 8 1BR units, 23 2BR units, and 2 3BR units. 8 units will be rented to households with incomes at or below 40% of the area median income and 25 units will be rented to households with incomes at or below 60% of the area median income.
- MMA expects to be admitted to the Partnership by February 2006
- Construction will begin by February 2006
- Construction completion will occur by September 2006
- Initial lease-up will begin by March 2006
- 100% qualified occupancy will occur by September 2006

MMA Financial, LLC

33 North Garden Avenue, Suite 1200
Clearwater, Florida 33755-6605
T 727.461.4801
F 727.443.6067
www.MMAfin.com

A MuniMae Company

INTEGRITY. INNOVATION. SERVICE.



Financing

- The Partnership expects to receive a commitment for a \$750,000 construction/permanent loan from USDA RD . The construction/permanent loan will have a fixed interest rate of approximately 6% with a 30-year term.
- The Partnership expects to assume the non-recourse, permanent loan of \$880,775 (the "First Mortgage") from USDA RD. The First Mortgage will have a fixed interest rate of approximately 1.0%, with a 18-year term and a 50-year amortization schedule.

Tax Credits

- The Partnership expects to receive an allocation for federal low income housing tax credits from the state of Florida in the amount of \$68,500.
- Tax credits to MMA will be generated as follows:
 - \$34,250 in 2006
 - \$68,500 in 2007 – 2015
 - \$34,250 in 2016

Capital Contributions

Based upon assumptions contained in the materials you submitted and subject to the satisfactory completion of MMA's due diligence, MMA will make capital contributions to the Partnership based on \$0.77 per each dollar of tax credit received by MMA in the installment amounts and subject to the conditions set forth below. If the installment pay-in schedule or the tax credit delivery schedule varies from the assumptions outlined below, the aggregate amount of capital contributed by MMA may be adjusted.

	<u>Later of:</u>	<u>Amount</u>	<u>%</u>
1.	Admission Date Close of Construction Loan Receipt of Permanent Loan Commitment	\$185,500	35%
2.	50% Construction Completion, as evidenced by a third party inspecting architect	\$132,500	25%
3.	100% Construction Completion, as evidenced by a third party inspecting architect and receipt of cost and credit certification from the independent accountants	\$106,000	20%
4.	Closing of Permanent Loan, Breakeven operations for ninety (90) days commencing on the construction completion date, and evidence of application for Form 8609	\$53,000	10%
5.	Receipt of Form 8609 and 1.15 Debt Service Coverage for ninety (90) days	\$53,000	10%
	TOTAL	\$530,000	100%

Changes to the above equity schedule may impact pricing.

Any interest income earned by the Partnership on the capital contributions of MMA or on any reserve or escrow accounts (whether such amounts are held by the Partnership or held by a construction lender) will be specially allocated to the General Partner.

"Breakeven" means the first day following a period of 3 consecutive calendar months commencing on or after the specified date during which, as determined by the accountants (subject to a reasonable review by a representative of MMA), the project has produced income actually received by the Partnership on a

cash basis from normal operations at least equal to all cash requirements of the project on an accrual basis (not including distributions to partners out of cash flow but including debt service on the Permanent Loan at the rate in effect following the Permanent Loan commencement whether or not Permanent Loan commencement shall have occurred, and reserve requirements of \$200 per unit per annum or such higher amount imposed on the project by the project documents) and, on an annualized basis, all projected expenditures, including those of a seasonal nature, which might reasonably be expected to be incurred on an unequal basis during the full annual period of operation.

"Completion Date" means the later of: (i) the date on which MMA shall have received copies of requisite certificates or permits or other approvals permitting occupancy of 100% of the apartment units in the Property as issued by each agency having jurisdiction or (ii) the date as of which the inspecting architect certifies that the work to be performed by the builder under the construction contract is substantially complete.

"Debt Service Coverage" at a specified percentage shall be deemed to have occurred on the first day following a period of 3 consecutive calendar months on or after Final Closing during which, as determined by the accountants, the Net Operating Income for each month divided by all fixed debt service payments on the permanent loan (including full amortization) required to be made during that month shall equal or exceed the specified percentage. Net Operating Income shall be the excess of income actually received by the Partnership on a cash basis from normal operations over all cash requirements of the project on an accrual basis (not including distributions to Partner out of cash flow but including reserve requirements imposed on the project by the project documents) and, on an annualized basis, all projected expenditures, including those of a seasonal nature, which might reasonably be expected to be incurred on an unequal basis during the full annual period of operation.

The equity installments will be subject to tax credit adjuster calculations, as follows.

Timing Adjuster

As to timing, in the event that the total amount of federal credits delivered to MMA are less than \$34,250 for 2006, and \$68,500 for 2007, the aggregate amount of capital contribution shall be reduced by \$0.77 for each dollar of federal credit below such amounts.

Basis Adjuster

As to the maximum amount of federal credit delivered annually, in the event that the amount of federal credits allocable to MMA is less than \$68,500, MMA will reduce its capital contribution by \$0.77 for every \$1.00 of federal credit shortfall.

General Partner Obligations

The General Partner will have the following obligations:

- A. Development Obligation The General Partner will guarantee the delivery of a completed, lien-free project (including all final Certificates of Occupancy), in accordance with plans and specifications based upon fixed development costs. Through the later of the first anniversary of the Completion Date, the date the Property achieves Breakeven for three consecutive months commencing on Final Closing ("Development Date"), the General Partner will be obligated to (i) arrive at Final Closing and (ii) fund any operating deficits. Any cost overruns or development deficiencies shall be paid by the General Partner and will be without reimbursement.
- B. Operating Obligation. During the period commencing on the Development Date and ending on the third anniversary of the Development Date, the General Partner will be obligated to advance

up to \$300,000 needed to cover operating deficits (including full reserve funding of the greater of \$200/unit/year or that required by the Permanent Lender, normal repairs, and necessary capital improvements) and provide funds to the Partnership such that it has \$1 of surplus cash at all times through such date. Such advances ("Operating Expense Loans") will bear no interest and will be repayable from future available cash flow or sale proceeds.

- C. Repurchase Obligation. The General Partner will be obligated to repurchase MMA's interest in the Partnership, for a price equal to 110% of the net portion of capital contributions payable to the Partnership less amounts not yet paid into the Partnership, if (1) Final Closing of the mortgage loan is not achieved by 24 months after the closing of the construction loan (subject to an extension if existing loan commitments are similarly extended), or (2) at any time before the Development Date (a) an action is commenced to foreclose, abandon, or permanently enjoin construction of the Property, or (b) the Property is disqualified from obtaining tax credits. For a limited period of time, the Partnership will have an opportunity to cure any such problems.
- D. Compliance Obligation. The General Partner shall take any and all actions required to insure that the Property will continue to qualify for low-income tax credits.
- E. Tax Credit Adjusters. The General Partner and the Guarantors will guarantee the adjustments to the capital contributions resulting from a reduction in the credit amount.
- F. Sale/Refinance Obligation. Subsequent to 15 years of property operations, the General Partner shall take any and all actions necessary to secure a sale or refinancing of the Property to maximize the return to MMA. All terms and conditions of such sale or refinancing shall be subject to the approval of MMA. If an affiliate of the General Partner acts as either the listing broker or the procuring broker, the affiliate of the General Partner will be entitled to a market-level brokerage commission.
- G. Representations and Warranties. The accuracy of all customary representations and warranties will be guaranteed by the General Partner and the Guarantors.
- H. Operating Reserve. The General Partner will maintain an operating reserve in the amount of \$18,506 beginning with the Fourth Installment. Upon achieving 115% debt service coverage or greater for three consecutive years, 33% of the remaining balance of the reserve shall be released. Upon achieving 115% debt service coverage or greater for a fourth calendar year, 50% of the remaining balance of the reserve shall be released. Upon achieving 115% debt service coverage or greater for a fifth calendar year the remaining balance of the reserve shall be released.

Developer Fee

The Developer shall earn a developer fee of approximately \$195,900. The General Partner shall be obligated to pay any amount outstanding after 10 years. Twenty percent (20%) of the non-deferred Developer Fee shall be paid at the closing of the construction loan and the funding of MMA's first installment, if such funds are available.

Allocation and Distributions

The tax credits, depreciation, and operating profits and losses of the Partnership shall be allocated 99.99% to MMA and 0.01% to the General Partner. The Partnership shall depreciate its residential property, land

improvements, and personal property costs, respectively, over 27.5 years, 15 years, and 5 years for federal income tax purposes. This assumes that a for-profit subsidiary will be established.

Annual cash flow prior to the 1st anniversary of the Completion Date in excess of the Priority Distribution (which begins to accrue at Completion Date) will go to the General Partner as payment toward Deferred Development Fee.

Cash flow from operations after payment of operating expenses, debt service and funding of required replacement reserves shall be distributed as follows:

First, to pay MMA its annual cumulative Priority Distribution of \$3,000, adjusted annually by the annual percentage increase in CPI;

Second, to the General Partner as payment of the Deferred Development Fee, if any; and

Third, to the General Partner to repay any Operating Expense Loans;

Fourth, 50% of the remaining cash flow up to 7% of the gross revenues of the Property to the General Partner as an Incentive Management Fee. The combined total of the property's Management Fee and the Incentive Management Fee can be no more than 12%.

Fifth, then as a cash flow distribution, 80% to the General Partner and 20% to MMA.

Net proceeds of a sale or refinancing shall be distributed as follows:

First, to pay any expenses of the sale or refinance of this transaction, including and necessary reserves for contingent liabilities;

Second, to pay any deferred developer fee yet unpaid;

Third, to the General Partner to repay any Operating Expense Loans and any other loans payable to a partner;

Fourth, to repay the General Partner capital contributions to the extent not repaid from cash flow;

Fifth, to the extent MMA has not received cash flow, if any from operations equal to the cumulative annual Priority Distribution plus any adjustments with respect to the tax credits;

Sixth, \$10,000 to the Special Limited Partner; and

Seventh, 80% to the General Partner and 20% to MMA .

Option to Purchase:

The General Partner shall have the option to purchase MMA's interest in the Partnership for Fair Market Value. The GP and MMA will each hire an appraiser to determine Fair Market Value. The Fair Market Value purchase price will be the average of the Fair Market Value as determined by the two appraisers. In the event the Fair Market Value as determined by the two appraisers do not agree, the GP and MMA will together choose a third appraiser to determine the Fair Market Value.

Reporting

The Partnership shall furnish MMA with quarterly unaudited financial statements, annual audited financial statements and tax returns prepared by an independent firm of certified public accountants, approved by MMA, who is familiar with reporting requirements applicable to LIHTC properties under a timetable to be specified in the Partnership Agreement.

Due Diligence and Closing Process

Upon receipt of an executed copy of this Proposal Letter and the Due Diligence Documents, the parties will agree upon a mutually acceptable due diligence period and closing schedule. If the Due Diligence documents are not received by MMA within 120 days of the date of this proposal then this proposal shall terminate.

Admission of MMA to the Partnership is subject to the following and review of the items described on the Due Diligence/Document List:

- a) Satisfactory due diligence, including a review of all plans, specifications, and related construction documents.
- b) Satisfactory Phase One Environmental Report (ASTM Standards) and completion of any work recommended therein.
- c) MMA Market Study at MMA's expense which will evaluate the Property's suitability and marketability as an LIHTC property.
- d) Satisfactory financial statements of the General Partner, Partnership, Guarantors, and affiliates.
- e) Satisfactory review of the backgrounds and credit worthiness of the General Partner and Guarantors.
- f) Site inspection by MMA.
- g) Approval by MMA's Investment Committee in its sole and absolute discretion.
- h) Receipt of satisfactory commitment for construction and permanent financing.
- i) Receipt of a satisfactory insurance policy insuring against fire and other casualty in an amount equal to the full replacement cost of the Property. A combined single limit property damage and commercial general liability insurance policy in the amount of not less than \$5,000,000 (of which up to \$3,000,000 may be provided under an umbrella policy).
- j) ALTA Owner's Policy of Title Insurance.
- k) Receipt of acceptable partnership and tax opinions.
- l) Negotiation and execution of satisfactory documentation.


Costs and Expenses

Each party shall bear its own costs and expenses associated with the equity closing.

The above are the general terms and conditions of the proposed transaction. If the general terms and conditions outlined in this letter are acceptable, please execute this document below and return it to our office. By returning an executed copy of this letter, you will give MMA exclusive authorization to proceed with its activities as contemplated by this proposal. In consideration of MMA's agreement to proceed hereunder, the undersigned agrees not to take any action, directly or indirectly, which would conflict with such activities (including, without limitation, any offering of limited Partnership interest in, or other equity securities of, the Partnership) without obtaining MMA's prior written approval.

We look forward to working with you.

Sincerely,


Mark R. George
Senior Vice President

AGREED & ACCEPTED:

Clermont RRH, Ltd.

By: CAH, LLC, its General Partner

By: Thomas F. Flynn, Manager

Dated: February 8, 2005

GUARANTORS:

Thomas F. Flynn

Thomas F. Flynn



April 15, 2005

Thomas F. Flynn
Flynn Management Corporation
516 Lakeview Road
Villa 8
Clearwater, FL 33756-3302

Re: Sunny Hill Apartments
Clermont, Florida

Dear Mr. Flynn:

We are pleased to advise you that we have approved an equity investment in Clermont RRH, Ltd., a Florida limited partnership, which will own and operate a 34-unit affordable housing community to be known as Sunny Hill Apartments, located in Clermont, Florida. This firm commitment is made based upon the financial information provided to us in support of your request, and under the following terms and conditions:

Investment Entity:

Clermont RRH, Ltd limited partnership (the "Partnership"), with a General Partner (CAH, LLC) that has a .01% ownership interest in the Partnership, and Fifth Third Community Development Corporation ("Fifth Third") as Limited Partner with a 99.99% ownership interest in the Partnership.

Housing Credit Allocation to LP:

\$684,931 (\$68,500 x 10 years x 99.99%)

Net Capital Contribution:

\$530,000

Syndication Rate:

\$0.77 (Net Capital Contrib./LP's HC Allocation)

Pay-In Schedule:

Capital Contribution #1

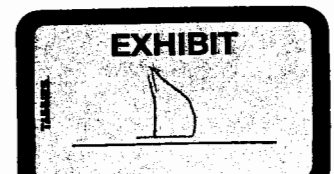
\$185,500 (35%) to be paid prior to or simultaneously with the closing of the construction loan.

Capital Contribution #2

\$132,500 (25%) at 50% construction completion, as evidenced by a third party inspecting architect.

Capital Contribution #3

\$106,000 (20%) at 100% construction completion, as evidenced by a third party inspecting architect and receipt of cost and credit certification from the independent accountants.



Capital Contribution #4

\$53,000 (10%) at permanent loan closing / funding, breakeven operations for ninety (90) days commencing on the construction completion date, and evidence of application for Form 8609.

Capital Contribution #5

\$53,000 (10%) at receipt of Form 8609 and 1.15 debt service coverage for ninety (90) days.

Obligations of the General Partner and Guarantor(s):

Operating Deficit Guaranty: The General Partner will Guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Fifth Third, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; (ii) of all amounts necessary to achieve permanent loan closing; and (iii) to pay any operating deficits prior to Stabilization.

Credit Adjusters: The Partnership will provide that, if in any year Actual Credits are less than Projected Credits, then Limited Partner shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit. (e.g.: for every credit moved from the first year to the 11th year, the Partnership / Guarantors would owed the Limited Partner \$0.77; if actual credits qualified & awarded to the Partnership is less than projected credits, equity would be reduced dollar for dollar for each credit reduction.)

The obligations of the General Partner shall be guaranteed by CAH, LLC.

Incentive Mgmt. Fee:

75%

Cash Flow Split:

Cash Flow to the Partnership shall be distributed as follows:

- a. To Fifth Third in payment of any amounts due as a result of any unpaid Credit Adjuster Amount.
- b. To Fifth Third in payment of any outstanding loans made to the Partnership.
- b. To Fifth Third in payment of Asset Management Fees or any unpaid Asset Management Fee.
- c. To the payment of any Deferred Developer Fee.
- d. To the General Partner to repay any Partnership loans.
- e. To the General Partner for Incentive Management Fees.
- f. The balance, .01% to the General Partner and 99.99% to Fifth Third.

Residual Split:

Any gain upon sale or refinancing shall be distributed as follows:

- a. To Fifth Third in payment of any amounts due because the Actual Credit is less than the Projected Credit, or there has been a recapture of Credit.
- b. To the payment of any unpaid Asset Management Fee.
- c. To the Limited Partner in an amount equal to its remaining capital account if at the end of the compliance period.
- d. The balance of available cash for distribution, 75% the General Partner and 25% to the Limited Partner.

Replacement Reserves:

\$275/unit/year.

Operating Reserves:

The General Partner will maintain an operating reserve in the amount \$18,506 in a Fifth Third account. Upon achieving 115% debt service coverage or greater for a fifth calendar year the reserve shall be released.

Asset Management Fee:

\$65 per unit annually.

Other Terms and Conditions:

1) Successful award and allocation of low income housing tax credits from the Florida Housing Finance Corporation in the amount of \$68,500 per year.

2) The General Partner must have a firm commitment for fixed-rate permanent first mortgage financing with terms conditions and Lender acceptable to the Limited Partner.

3) Receipt, review and approval of the appraisal with incorporated market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount.

4) Receipt and approval of such standard documents as are customary in this type of financing transaction.

Fifth Third anticipates incurring expenses and foregoing other opportunities while we are proceeding toward the finalization of a partnership agreement. We are willing to incur these expenses with the understanding that once this letter has been acknowledged you will not entertain any other equity proposals regarding this project. The borrower and/or guarantor(s) further warrant(s) that they are not currently negotiating with any other parties with respect to the tax credits for this project nor is there an equity commitment letter from another party outstanding that has been accepted or not expired. In the event this warranty is breached by Borrower Fifth Third will be entitled to collect its reasonable out of pocket expenses incurred from Borrower which will not exceed five thousand dollars.

This commitment will expire on December 31, 2005 if not extended by Fifth Third.

Fifth Third wishes to thank you for the opportunity to become investment partners.

Sincerely,

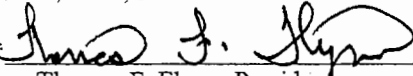


Catherine A. Cawthon
Vice President

Agreed and Accepted this Day:

Clermont RRH, Ltd.

By: CAH, LLC, its General Partner

By 
Thomas F. Flynn, President

Date 4/19/05

B. Sources:

1. SAIL Loan Requested	\$	
2. MMRB Requested	\$	
3. HOME Loan Requested	\$	
4. HC Equity Proceeds Paid Prior to Completion of Construction which is Prior to Receipt of Final Certificate of Occupancy or in the case of Rehabilitation, prior to placed-in service date as determined by the Applicant.	\$ 424000	Exhibit 59
5. First Mortgage Financing	\$ 880725	Exhibit 56
6. Second Mortgage Financing	\$ 500000	Exhibit 57
7. Third Mortgage Financing	\$ 250000	Exhibit 58
8. Deferred Developer Fee	\$ 120000	Exhibit 54
9. Grants	\$	Exhibit
10. Equity - Partner's Contribution	\$	Exhibit
11. Other:	\$	Exhibit
12. Other:	\$	Exhibit
13. Total Sources	\$ 2174725	

C. Financing Shortfall (A - B.13.):

\$ -8705

Each Exhibit must be listed behind its own Tab. DO NOT include all Exhibits behind one tab.

PERMANENT ANALYSIS

A. Total Development Cost:

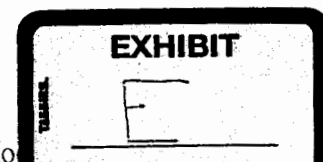
\$ 2166020

B. Sources:

	AMOUNT	LOCATION OF DOCUMENTATION
1. SAIL Loan Requested	\$	
2. MMRB Requested	\$	
3. HOME Loan Requested	\$	
4. HC Syndication/HC Equity Proceeds	\$ 530000	Exhibit 59
5. First Mortgage Financing	\$ 880725	Exhibit 56
6. Second Mortgage Financing	\$ 500000	Exhibit 57
7. Third Mortgage Financing	\$ 250000	Exhibit 58
8. Deferred Developer Fee	\$ 5295	Exhibit 54
9. Grants	\$	Exhibit
10. Equity - Partner's Contribution	\$	Exhibit
11. Other:	\$	Exhibit
12. Other:	\$	Exhibit
13. Total Sources	\$ 2166020	

C. Financing Shortfall (A - B.13.):

\$ 0



June 9, 2005

Clermont RRH LTD Partnership
516 Lakeview Rd
STE 8
Clearwater, FL 33756

To: Whom it may concern

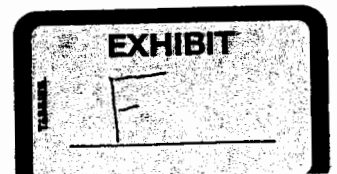
This letter will serve to confirm that the above titled account #7420014818 has a current balance of \$50,394.14.

If I can be of further assistance please do not hesitate to ask.

Sincerely,



Connie L.M. Scheiderer
Bank Center Manager
Oakhurst Office
(727)593-7620



SPENCE, MARSTON, BUNCH, MORRIS & CO.

Certified Public Accountants

MEMBERS OF:

American Institute of Certified Public Accountants
AICPA SEC Practice Section
AICPA Private Companies Practice Section
Florida Institute of Certified Public Accountants

250 North Belcher Rd., Suite 100
Clearwater, Florida 33765-2622
(727) 441-6829 Tampa 223-2172
FAX (727) 442-4391
cpa@spencemarston.com

June 13, 2005

Florida Housing Finance Corporation
227 North Bronough St., Suite 5000
Tallahassee, FL 32301

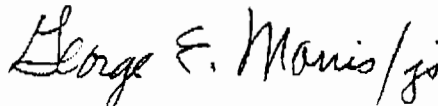
RE: Application No. 2005-004C to the Florida Housing Financing Corporation
as to Clermont RRH, Ltd.

Dear Sir or Madam:

Please be advised that we have been working with the owner/applicant for twenty-five years. In those years, we have provided many FHFC and USDA-RD development/ construction cost certifications. It is our practice to complete these required certifications prior to or simultaneously with construction completion. We plan to prepare and complete the Clermont RRH, Ltd. required certifications prior to or simultaneously with construction completion.

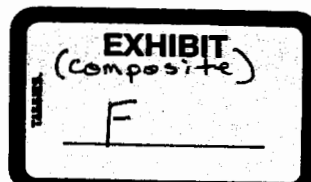
Our firm is familiar with the financial condition of the sponsor/developer and contractor-Thomas F. Flynn/Flynn Development Corporation and can verify that the sponsor and its related entities have sufficient cash reserves to complete the property in the event that any or all syndication proceeds are delayed beyond the construction period.

Very truly yours,



George E. Morris
For the Firm

*Signed in lieu of
George E. Morris' absence
to avoid delay*



June 13, 2005

Florida Housing Finance Corporation
227 North Bronough St., Suite 5000
Tallahassee, FL 32301

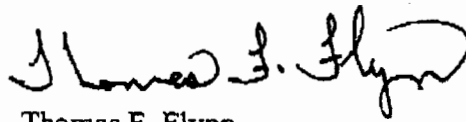
RE: Application No. 2005-004C to the Florida Housing Financing Corporation
as to Clermont RRH, Ltd.

Dear Sir or Madam:

I am the Sponsor/Developer for the above application. I certify that my net worth is in excess of \$5,000,000 and that I maintain personal liquid cash deposits in excess of \$1,000,000.

As a condition of USDA RD loan approval I have agreed to advance any funds needed to complete the project in the event of a short fall.

Very truly yours,

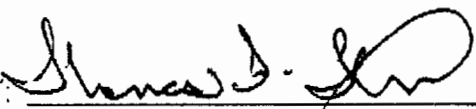


Thomas F. Flynn
516 Lakeview Road Unit 8
Clearwater, FL 33756

COST OVERRUN STATEMENT
Clermont RRH, Ltd.

I fully understand that USDA-RURAL DEVELOPMENT will advance a maximum of \$500,000.00 for my project. Any and all cost overruns on the project will be my responsibility.

March 1, 2005
DATE

BY: 
Thomas F. Flynn

June 13, 2005

Florida Housing Finance Corporation
227 North Bronough St., Suite 5000
Tallahassee, FL 32301

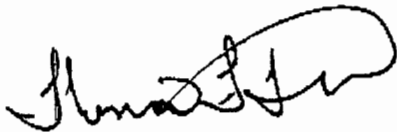
RE: Application No. 2005-004C to the Florida Housing Financing Corporation
as to Clermont RRH, Ltd.

Dear Sir or Madam:

Flynn Development Corporation will act as contractor for the above referenced rehabilitation. Flynn Development Corporation maintains cash reserves in excess of \$200,000.

Our standard subcontract agreement specifies a 10% retainage that is to be paid within 60 days after receipt of final payment from the owner.

Sincerely,
FLYNN DEVELOPMENT CORPORATION



Thomas F. Flynn
President