

MEMORANDUM

Agenda Item No. 14(A)(5)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: March 18, 2014

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution approving
agreements related to grant from
Building Better Communities
General Obligation Bond
Program Project No. 249 –
"Preservation of Affordable
Housing units and Expansion of
Home Ownership" in amount of
\$1,000,000.00 Development
Corporation for Development of
Affordable Housing in District 7

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Xavier L. Suarez.



R. A. Cuevas, Jr.
County Attorney

RAC/cp



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: March 18, 2014

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County Attorney

SUBJECT: Agenda Item No. 14(A)(5)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 14(A) (5)
3-18-14

RESOLUTION NO. _____

RESOLUTION APPROVING AGREEMENTS RELATED TO GRANT FROM BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM PROJECT NO. 249 – “PRESERVATION OF AFFORDABLE HOUSING UNITS AND EXPANSION OF HOME OWNERSHIP” IN AMOUNT OF \$1,000,000.00 FOR DEVELOPMENT OF AFFORDABLE HOUSING IN DISTRICT 7; APPROVING CHANGE IN GRANTEE FROM METRO SOUTH SENIOR APARTMENTS LIMITED PARTNERSHIP TO AFFORDABLE HOUSING SOLUTIONS FOR FLORIDA, INC.; AND AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR’S DESIGNEE TO EXECUTE AND DELIVER SUCH AGREEMENTS ON BEHALF OF COUNTY

WHEREAS, pursuant to Resolution No. R-1017-13 adopted on December 3, 2013 the “Allocation Resolution”), this Board approved a District 7 grant/allocation of \$1,000,000.00 (the “Grant”) from Project No. 249 –“Preservation of Affordable Housing Units and Expansion of Home Ownership” of the Building Better Communities General Obligation Bond Program (“BBC GOB Program”) to Metro South Senior Apartments Limited Partnership for the construction by Beneficial Metro South Senior, LLC (“Developer”) of ninety-one (91) affordable elderly rental apartment units (the “Units”) known as the Metro South Senior Apartments Project (the “Metro South Senior Apartments Project” or “Project”) on real property located at 6101 Sunset Drive, South Miami, Florida; and

WHEREAS, this Board wishes to approve a change in the grantee from Metro South Senior Apartments Limited Partnership designated in the Allocation Resolution to Affordable Housing Solutions for Florida, Inc. (the “Grantee”); and

WHEREAS, there is a need to provide affordable multi-family housing in District 7 as soon as it is practicable; and

WHEREAS, pursuant to the County's five-year capital plan, it is anticipated that the County shall have sufficient Building Better Communities General Obligations note/bond proceeds ("Bond Proceeds") available to fund the total Grant by allocating the \$1,000,000.00 in Fiscal Year 2014-15; and

WHEREAS, due to the funding of the Grant in the next Fiscal Year and because it is on a reimbursable basis, the Grantee needs to secure construction financing to be paid from proceeds of the Grant until the Grant is fully funded; and

WHEREAS, the construction lender has requested that the County contract for the full amount of the Grant and provide a covenant to annually appropriate the amount necessary to fund the Funding Plan solely from available Bond Proceeds until the Grant is fully funded ("Covenant"); and

WHEREAS, this Board wishes to approve (i) the award of the Grant to the Grantee; and (ii) the forms of the Grant Agreement (the "Grant Agreement") and Rental Regulatory Agreement ("Rental Regulatory Agreement") between the County and the Grantee; and

WHEREAS, the Board wishes to accept the final underwriting report for the funding of the Metro South Senior Apartments Project as required by Resolution No, R-138-14 adopted by this Board on February 4, 2014,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:**

Section 1. The foregoing recitals are incorporated in this Resolution and are approved.

Section 2. The Board approves Affordable Housing Solutions for Florida, Inc. as Grantee and the recipient of the Grant.

Section 3. The final underwriting report for the Metro South Senior Apartments Project is attached as Exhibit "A" to this Resolution.

Section 4. The Board approves the Grant Agreement in substantially the form attached as Exhibit "B" to this Resolution for the full amount of the Grant to be funded pursuant to the Funding Plan which may be amended by the Board and the Grant Agreement and the County Mayor or County Mayor's designee is authorized to execute and deliver the Grant Agreement on behalf of the County with such changes or amendments consistent with this Resolution and the underwriting report after consultation with the Miami-Dade County Attorney's office. The Grant Agreement also includes the Covenant requested by the construction lender. The Covenant provides that the County shall appropriate annually funds derived solely from the sale of Building Better Communities General Obligation Bond notes and/or bonds in an amount necessary to fund the Funding Plan until the Grant is fully funded.

Section 5. The Board approves the Rental Regulatory Agreement to be delivered by the Grantee and recorded in the public records in substantially the form attached as Exhibit "C" to this Resolution and the County Mayor or County Mayor's designee is authorized to execute the Rental Regulatory Agreement on behalf of the

County with any revisions that may be necessary to assure the Project is affordable and any changes or amendments consistent with this Resolution and the underwriting report after consultation with the Miami-Dade County Attorney's Office. The Grantee will set aside fifty (50) rental units as affordable units. The unit sizes, initial monthly rental rates and the income requirements for eligible tenants are set forth in the Rental Regulatory Agreement.

Section 6. Any Grant proceeds that are reimbursed to the County pursuant to the Grant Agreement and/or the Regulatory Agreement shall be used solely for affordable housing in District 7.

The Prime Sponsor of the foregoing resolution is Commissioner Xavier L. Suarez.

It was offered by Commissioner _____, who moved its adoption.

The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairperson	
Lynda Bell, Vice Chairwoman	
Bruno A. Barreiro	Esteban L. Bovo, Jr
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 18th day of March, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

Approved by County Attorney
To form and legal sufficiency



Gerald T. Heffernan

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Exhibit A
Final Underwriting Report

Changes from the FHFC 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?		2
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?		3
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	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?	X	

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

1. RBC Capital Markets, the syndicator, has been replaced by Wells Fargo Community Lending and Investment ("WFCLI") which provided improved equity terms.

JPMorgan Chase Bank, N.A., the construction/permanent debt provider, has been replaced by Citibank, N.A. ("CITI").

A loan of \$1,000,000 in Building Better Communities General Obligation Bond Fund ("GOB") funds has been added since application and will be administered by Affordable Housing Solutions of Florida, Inc. in the form of a Fifth Mortgage during the permanent phase of the Development.

Miami-Dade County FY 2013 SURTAX monies applied for by the Applicant in the amount of \$1,645,000 have been included in addition to the FY 2011 SURTAX monies of \$175,000 applied for by the Applicant (total of \$1,820,000); however, based on the total development costs, proposed sources and uses for the construction and permanent phases, and the corresponding analysis included herein, the Applicant qualifies for a total of \$989,516 in SURTAX funding.

2. The following government contributions have been added since the time of Application:
 - a. \$1,645,000 in FY 2013 SURTAX funding from Miami-Dade County
 - b. \$1,000,000 in GOB funding
3. Total construction costs per the Application were \$27,458,925; total construction costs as underwritten are \$31,637,729. The reason for the increase is based on higher overall construction costs, legal fees associated with litigation involving the City of South Miami, architect fees, impact fees, utility connection fees, construction and permanent loan fees, and Developer fee.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. Per the Market Study completed by Novogradac & Company, LLP ("Novogradac") dated February 25, 2014 the Development has captures rate for all units ranging from 0.37% to 3.19% in the Primary Market Area ("PMA"), defined as 74.4 square mile area surrounding the Development. The capture rates indicate both a low barrier of entry and a strong demand for affordable housing in the market area.
3. The market study identified 11 comparable affordable properties located within the CMA containing 1,060 total units. The comparable affordable properties are Brisas Del Mar, which has 160 units and an occupancy rate of 100%; Camacol Tower, which has 100 units and an occupancy rate of 100%; Richmond Pines, which has 80 units and an occupancy rate of 100%; Royal Coast, which has 174 units and an occupancy rate of 100%; Tuscan View, which has 175 units and an occupancy rate of 100%; West Brickell Apartments, which has 130 units and an occupancy rate of 100%; West Brickell Tower, which has 32 units and an occupancy rate of 100%, and West Brickell View, which has 64 units and an occupancy rate of 100%, Janoski property, which has one unit and occupancy that could not be verified; and Postmaster Apartments, which has 55 units and occupancy that could not be verified. It is worth noting that the Postmaster property does appear on the FHFC Entire Portfolio Occupancy Report and did have an occupancy rate of 96.4% as of December 2013. The report concludes an average occupancy rate for comparables within the sub-market of 100% at the time of survey, which satisfies the occupancy requirement stated in Rule Chapter 67-48 F.A.C. (the "Rule").

Other Considerations:

1. Novogradac concludes that the Development should not have a long term effect on existing affordable housing supply in the PMA based on current market and economic conditions.

2. There are no FHFC Guarantee Fund developments located within a five-mile radius or within the PMA.
3. The plan and cost review completed by GLE Associates, Inc. ("GLE") as of February 28, 2014 concludes that the estimated \$168,801/unit cost to construct the Development based on the Schedule of Values provided is acceptable given the data on comparable projects which ranged from \$120,796/unit to \$186,407/unit.
4. When calculating an average market rental rate based on the unit mix and annualized rent concessions, the rent advantage for all of the units at the Development is in excess of 110% of the applicable maximum Housing Credit rental rate, as is required by Rule.
5. AmeriNational has received email confirmation from PCHD that the Development providing a total of 14 Extremely Low Income ("ELI") units at or below 30% of Area Median Income (AMI) (and not 19 as was indicated in their 2013 SURTAX application) is sufficient for SURTAX funding purposes as it exceeds the number of ELI units designated in the Applicant's 2011 FHFC 9% Application (10 ELI units at or below 28% of AMI). The Applicant has committed to provide 19 "Special Needs" units as part of the SURTAX funding requests. The existence of these units has been confirmed as part of the plan and cost review completed for the Development. For the purposes of the information contained in this report, 14 ELI units have been underwritten as part of the accompanying analysis herein.

Issues and Concerns:

1. The Applicant has provided AmeriNational with a term sheet for permanent financing from CITI in the amount of \$1,145,000 and proposed an additional \$875,000 in permanent financing from Wells Fargo Bank, N.A. In order to qualify for FY 2011 and FY 2013 SURTAX funding with a total DSC of 1.25 to 1.00 for all permanent loan proceeds, the Applicant must carry hard permanent debt totaling \$2.3MM. This report illustrates permanent debt of \$2.3MM.

Mitigating Factor:

AmeriNational recommends PHCD obtain LOI(s) wherein total hard permanent financing equals \$2.3MM as a condition precedent to SURTAX loan closing (estimated to occur on or before 3/31/14).

Waiver Requests:

None

Special Conditions:

- 1) Receipt of LOI(s) wherein total hard permanent financing equals \$2.3MM is a condition precedent to SURTAX loan closing.

Additional Information:

The transaction as proposed by the developer includes \$2,020,000 of hard permanent debt to be provided by CITI (\$1,145,000) and Wells Fargo (\$875,000); however, an LOI for the debt provided by Wells Fargo has not been received as of the date of this report. AmeriNational has included the \$875,000 in its analysis and assumed the terms for the CITI loan (since no specific terms for the Wells Fargo loan were able to be verified). Based on the projected operating proforma of the Development, the projected debt service coverage ("DSC") in year 1 of operations would be 1.49 to 1.00. The DSC in year 1 of operations for only the proposed \$1,145,000 permanent loan would be 2.63 to 1.00. At both levels, the Development would not qualify for the proposed FY 2011 and 2013 SURTAX funding outlined in this report, since the SURTAX rules allow for no more than a 1.25 to 1.00 overall DSC for all hard permanent debt. AmeriNational has shown the transaction with a total of \$2,300,000 of hard permanent debt, the level at which the Development would qualify for SURTAX funding with the SURTAX monies sized accordingly based on the estimated sources and the increased permanent debt amount.

On October 23, 2012, Seltzer Management Group, Inc. ("Seltzer") conducted a preliminary feasibility review ("PFR") on behalf of PHCD and determined that the Development qualified for \$765,175 in FY 2013 SURTAX gap financing; this was a reduction of \$879,824 from the \$1,645,000 in funding requested. Seltzer's analysis also did not include \$1,000,000 in GOB funding as a source (which is now a part of the proposed transaction), and relied upon equity terms that were less favorable (\$0.93/credit vs. \$1.06/credit currently) overall which equates to \$3,283,453 in additional equity. While construction costs have risen approximately \$4MM since the PFR (\$27,458,925 based on Seltzer's analysis to \$31,637,729 as currently underwritten), it has largely been offset based on the \$1MM GOB loan and \$3.28MM equity increases mentioned above that total approximately \$4.3MM. The confluence of these factors results in the need for less SURTAX gap financing to fully fund construction of the Development.

Recommendation:

AmeriNational recommends loans totaling \$989,516 of SURTAX funds (\$175,000 for FY 2011 and \$814,516 for FY 2013) to the Applicant for the construction and permanent phase financing of the proposed Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A), and Supporting Information and Schedules (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:



George J. Repity
Senior Credit Underwriter

Reviewed by:



Michael Drapkin, Jr.
V.P. – Chief Credit Underwriter

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
Construction Loan	Citibank, N.A.	\$17,471,658	\$22,000,000	\$22,000,000	3.66%	\$805,200
Second Mortgage - 2011 SURTAX	Miami-Dade County	\$175,000	\$175,000	\$175,000	0.00%	\$0
Third Mortgage - 2013 SURTAX	Miami-Dade County	\$0	\$1,645,000	\$814,516	0.00%	\$0
Fourth Mortgage - GOB Loan	AHSF	\$0	\$1,000,000	\$1,000,000	0.00%	\$0
HC Equity	WFCL	\$8,224,528	\$4,017,302	\$4,017,302		
Deferred Developer Fee	Developer	\$1,587,739	\$3,387,815	\$3,630,911		
Total :		\$27,458,925	\$32,225,117	\$31,637,729		\$805,200

Proposed Construction Loan:

The Applicant provided a letter of intent ("LOI") prepared and executed by an affiliate of Citibank, N.A. ("CITI") as of December 23, 2013 and an update February 20, 2014. The terms outlined in the LOI and update letter indicate that CITI will fund \$22,000,000 or up to 80% of the total development costs (\$31,637,729 as currently underwritten) for the Development (the "Construction Loan").

AmeriNational's analysis indicates a Construction Loan of \$22,000,000 (69.5% of total underwritten development costs) will be necessary during the construction phase. Terms and conditions of the Loan are to include: a term of 24 months with two six month extensions available, and an interest only, variable rate equal to the one-month LIBOR (0.16% as of February 18, 2014) plus a 2.50% CITI spread and a 1.00% underwriting cushion for an "all-in" rate of 3.66%. This all-in rate was utilized by AmeriNational for underwriting purposes.

If utilized, an extension fee equal to 0.25% of the Construction Phase Loan Amount is payable prior to the 1st six month extension and an extension fee equal to 0.50% of the Construction Phase Loan Amount is payable prior to the 2nd six month extension.

Proposed Second Mortgage Loan – Miami-Dade County 2011 SURTAX:

The Applicant has provided a SURTAX application submitted to Miami-Dade County dated as of July 19, 2011 requesting construction and permanent financing in the amount of \$175,000 in SURTAX monies. The application outlines terms and conditions of the SURTAX 2011 local government contribution. Construction and permanent loan terms of FY 2011 funds are 0% interest years 1 through 17 with no payments required in those years, and 0.50% interest years 18 through 30 subject to project cash flow. Funding is further subject to a maximum overall debt service ratio of 1.25 to 1.00, no more than a total

of 20% of developer deferral, and the stipulation that all deferred developer fee must be repaid within a 12 year period.

Proposed Third Mortgage Loan – Miami-Dade County 2013 SURTAX:

The Applicant has provided a SURTAX application submitted to Miami-Dade County dated as of October 9, 2012 requesting construction and permanent financing in the amount of \$1,645,000. The application outlines terms and conditions of the SURTAX 2013 funds. Construction and permanent loan terms are 0% interest during construction in years 1 and 2 with no payments required and an accrual rate of between 1% and 6% in years 3 – 30 subject to project cash flow. Funding is further subject to a maximum overall debt service ratio of 1.25 to 1.00 and 20% of developer fee must be deferred. Please note that based on the analysis contained herein, the development qualifies for \$814,516 of the \$1,645,000 in SURTAX funding requested, a reduction of \$830,484.

Proposed Fourth Mortgage Loan – GOB:

The Applicant has provided a commitment letter dated as of February 6, 2014 for construction and permanent financing from Affordable Housing Solutions for Florida, Inc. ("AHSF") in the amount \$1,000,000 of GOB funding. The monies were made available through Resolution R-1017-13 approved by the Board of County Commissioners of Miami-Dade County as of December 3, 2013 for GOB funds as part of the Building Better Communities Program. The commitment outlines the following terms and conditions: 30 year term, 0% interest rate, and a one-time automatic 30 year renewal. No specific repayment requirements are required per the commitment letter.

Additional Construction Sources of Funds:

The Applicant provided a Letter of Intent ("LOI") dated November 13, 2013 with amendments made and agreed upon by the Applicant and WFCL as of February 11, 2014 indicating they were to receive a net equity contribution of \$26,782,016 from an affiliated limited partnership of WFCL for a 99.99% interest in the Applicant in return for a proportionate share of the total HC allocation they estimated to be \$25,269,900. The HC allocation will be syndicated at a rate of \$1.06 for each \$1.00 of tax credits delivered. A total of \$4,017,302 (15% of total equity available) is to be funded at construction loan closing, which is an amount sufficient to meet the 15% criteria. No other equity installments occur prior to construction completion.

Deferred Developer Fee:

As indicated in the LOI's provided by CITI and WFCL, any payment of developer fee prior to permanent loan conversion is subject to prior approval. The Applicant will be required to defer a total of \$3,630,911 in developer fee available during the construction phase.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
First Mortgage	Citibank, N.A.	\$2,537,401	\$1,145,000	\$1,425,000	6.66%	30	18	\$109,889
Second Mortgage	Wells Fargo Bank, N.A.	\$0	\$875,000	\$875,000	6.66%	30	18	\$67,476
Third Mortgage - 2011 SURTAX	Miami-Dade County	\$175,000	\$175,000	\$175,000	0.00%	0	30	\$0
Fourth Mortgage - 2013 SURTAX	Miami-Dade County	\$0	\$1,645,000	\$814,516	1.00%	0	28	\$8,145
Fifth Mortgage - GOB Loan	AHSF	\$0	\$1,000,000	\$1,000,000	0.00%	0	30	\$0
HC Equity	WFCLI	\$23,498,653	\$26,782,016	\$26,782,016				
Deferred Developer Fee	Developer	\$1,247,871	\$603,101	\$566,197				
Total :		\$27,458,925	\$32,225,117	\$31,637,729				\$185,510

Proposed First Mortgage Loan:

The Applicant has provided an LOI dated as of November 13, 2012 for permanent financing from CITI in the amount \$1,145,000. PLEASE NOTE: in order to qualify for the SURTAX funding, the Development would need to operate at a 1.25 to 1.00 DSC. As such, the Applicant would need to carry hard permanent debt in the amount of \$2,300,000. Accordingly, the proposed First Mortgage amount has been increased to \$1,425,000. Utilizing this amount of hard permanent debt in conjunction with the proposed Second Mortgage is in accordance with the 2011 and 2013 SURTAX rules. The SURTAX amounts presented above have been sized based on this DSC requirement.

The LOI indicates a term of 18 years, amortization of 30 years, and an interest rate based on the greater of the Ten Year Treasury (2.73% as of February 18, 2014) plus a CITI spread of 3.68% or 6.00% floor. For underwriting purposes, AmeriNational has added a cushion of 0.25% for an all-in rate of 6.66%.

Conversion requirements include completion of construction and 90% physical occupancy for 90 continuous days. CITI will review the Development's net operating income prior to Conversion to ensure that the Development's operating performance meets the pre-defined requirements that will be included in the loan documents.

Proposed Second Mortgage Loan:

The Applicant indicated that as of February 21, 2014, Wells Fargo Bank, N.A. ("Wells Fargo") would provide a Second Mortgage Loan in the amount of \$875,000 in permanent financing for the Development; however, as of the date of this report, a specific LOI confirming the availability and terms of the proposed loan have not been provided. For illustration purposes, terms identical to the CITI loan have been assumed for analysis purposes. Please note that all other perm loan sources will be

subordinate to this Second Mortgage loan and that SURTAX loan closing is contingent upon PHCD receiving and approving documentation that a total of \$2,300,000 of hard permanent debt is available.

Proposed Third and Fourth Mortgage Loans:

The Applicant has submitted Miami-Dade County SURTAX applications for construction and permanent financing in the amounts of \$175,000 and \$1,645,000 in FY 2011 and 2013 SURTAX monies. Terms and conditions of the SURTAX 2011 and 2013 per the applications are as follows: FY 2011 funds are 0% interest years 1 through 17 with no payments required in those years, and 0.50% years 18 through 30 subject to project cash flow. FY 2013 funds are subject to an accrual rate of between 1% and 6% in years 3 – 30 based on project cash flow. A rate of 1% has been assumed for the purposes of this analysis. Funding is further subject to a maximum overall debt service ratio of 1.25 to 1.00 for both FY 2011 and 2013. In addition, for FY 2011 funding, no more than a total of 20% of developer may be deferred and all developer fee must be paid within a 12 year period. For FY 2013 funding, 20% of the total developer fee must be deferred.

As previously stated, AmeriNational sized the First and Second Mortgage loans in accordance with the SURTAX requirement that the combined debt service coverage is at a maximum 1.25 to 1.00. Utilizing that requirement, the amount of SURTAX the proposed development qualifies for totals \$989,516, which is \$175,000 for FY 2011 and \$814,516 for FY 2013.

Proposed Fifth Mortgage Loan:

The Applicant has provided a commitment letter dated as of February 6, 2014 for construction and permanent financing from AHSF in the amount of \$1,000,000 of GOB funding. The commitment outlines the following terms and conditions: 30 year term, 0% interest rate, and a one-time automatic 30 year renewal. No specific repayment requirements are required per the commitment letter. The GOB funding was made available through Resolution R-1017-13 approved by the Board of County Commissioners of Miami-Dade County as of December 3, 2013 as part of the Building Better Communities Program.

Additional Permanent Sources of Funds:

According to the LOI dated November 13, 2013 and amended as of February 11, 2014 between WFCL and the Applicant, WFCL is to purchase a 99.99% interest in the limited partnership at loan closing. With of \$25,269,900 syndicated HC and a syndication rate of \$1.06 per dollar of HC, the Limited Partner anticipates a \$26,782,016 net HC equity contribution to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$4,017,302	15.00%	Prior to or simultaneously with the closing of the construction financing at Partnership Closing, anticipated March 1, 2014, advanced at closing based upon the approved closing draw schedule.
2nd Installment	\$21,795,425	81.38%	Upon the latter of (i) final Certificate of Occupancy for 100% of the units, (ii) lien free constillation completion of the property, substantially in accordance with the plans and specifications, (iii) receipt of a preliminary cost certification from the Accountants or, (iv) May 1, 2015
3rd Installment	\$969,289	3.62%	Upon the latter of (i) permanent loan closing conversion, (ii) the achievement of 1.15x DSCR for 90 consecutive days for all "must pay" debt payments, (iii) 100% initial qualified occupancy), (iv) Cost Certification for the Property from the Accountants setting forth the eligible basis and the total available Tax Credits, (v) receipt of the tenant file audit from the accountants, (vi) receipt of IRS Form(s) 8609, or (vii) January 1, 2016
Total:	\$26,782,016	100%	

Annual Credits Per Syndication Agreement \$2,526,990

Total Credits Per Syndication Agreement \$25,269,900

Calculated HC Rate: \$1.06

Limited Partner Ownership Percentage 99.99%

Proceeds During Construction \$25,812,727

Deferred Developer Fee:

As indicated in the LOI's for CITI and WFCL, any payment of developer fee prior to permanent loan conversion is subject to prior approval. Based on the analysis previously presented, the Applicant will be required to permanently defer \$566,197 of developer fee after stabilization. This amount is equal to the lesser of 20% of total developer fee as underwritten and the amount of developer fee that can be paid back over a 12 year period, as specified as a requirement of SURTAX funding.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$12,649,780	\$13,474,520	\$13,298,168	\$146,134	\$100,000
Recreational Amenities	\$399,279	\$0	\$0	\$0	
General Conditions	\$1,769,710	\$1,886,433	\$650,000	\$7,143	
Overhead	\$0	\$0	\$269,490	\$2,961	
Profit	\$0	\$0	\$780,510	\$8,577	
Builder's Risk Insurance	\$0	\$0	\$98,000	\$1,077	
Payment and Performance Bonds	\$0	\$0	\$264,785	\$2,910	
Furniture, Fixture, & Equipment	\$0	\$406,255	\$0	\$0	
Total Construction Contract/Costs	\$14,818,769	\$15,767,208	\$15,360,953	\$168,802	\$100,000
Hard Cost Contingency	\$720,975	\$768,048	\$768,048	\$8,440	
Total Construction Costs:	\$15,539,744	\$16,535,256	\$16,129,001	\$177,242	\$100,000

Notes to Actual Construction Costs:

1. A Standard Form of Agreement Between the Owner and Contractor where the basis of payment is stated to be a lump sum in the amount \$15,360,953 (the "Construction Contract") has been provided. The Construction Contract was entered into as of February 10, 2014 and is executed by the Applicant and Siltek Group, Inc. (the "General Contractor"). It contains a production schedule indicating completion within 485 days from the date of commencement. The Construction Contract indicates retainage of ten percent (10%) up until 50% of construction has been completed. When the project reaches 50% complete, the Owner may, in its reasonable discretion, reduce the retainage on subsequent applications for payment to 5%, assuming that the Project, in the Owner's opinion, is progressing in accordance with the approved schedule and the quality of the work is acceptable to the Owner. The Owner reserves the right to reinstate the 10% retainage withholding at any time that it determines in its reasonable discretion that the Project is not proceeding in accordance with the approved schedule, the specified quality of work is not being met, or there is evidence that the Contractor is not timely paying subcontractors and/or suppliers.
2. A plan and cost review was engaged by AmeriNational and performed by GLE Associates, Inc. ("GLE"). GLE summarized their review of the schedule of values in a report dated February 28, 2014. The review concludes that overall costs to construct are considered reasonable and adequate to complete the proposed improvements.
3. The New Rental Units line item as underwritten is based on the sub-total for all costs outside of Payment and Performance Bonds, general conditions, overhead, and profit, site work, and builders risk insurance as indicated in the Schedule of Values provided.
4. General Contractor's Fee (consisting of general requirements, overhead, and profit) does not exceed the allowable standard of 14.0% per Rule.

5. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract and its cost is included within the Construction Contract’s schedule of values.
6. Furniture, Fixture, & Equipment was included by the developer in the construction cost section of the development budget; however, the developer indicated theses costs were outside of the construction contract. As a result, this line item has been reallocated under “General Development Costs” for analysis purposes.
7. A 5% hard cost contingency was utilized by AmeriNational and is supported by the plan and cost review.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$130,000	\$160,000	\$160,000	\$1,758	
Appraisal	\$3,800	\$26,000	\$26,000	\$286	
Architect's Fee - Site/Building Design	\$495,000	\$892,148	\$892,148	\$9,804	
Architect's Fee - Supervision	\$160,000	\$126,500	\$126,500	\$1,390	
Building Permits	\$171,500	\$250,500	\$250,500	\$2,753	
Engineering Fees	\$253,500	\$240,000	\$240,000	\$2,637	
Environmental Report	\$32,970	\$15,700	\$15,700	\$173	
FF&E paid outside Construction Contract	\$0	\$0	\$406,255	\$4,464	
FHFC Administrative Fees	\$202,159	\$239,991	\$239,991	\$2,637	\$239,991
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$33	\$3,000
FHFC Credit Underwriting Fee	\$12,637	\$28,264	\$12,614	\$139	\$12,614
FHFC HC Compliance Fee (HC)	\$114,551	\$136,000	\$196,299	\$2,157	\$196,299
Impact Fee	\$386,700	\$630,000	\$630,000	\$6,923	
Lender Inspection Fees / Const Admin	\$27,928	\$5,000	\$5,000	\$55	\$5,000
Insurance	\$12,000	\$12,000	\$12,000	\$132	
Legal Fees	\$183,001	\$1,193,694	\$1,193,694	\$13,118	\$1,193,694
Market Study	\$17,100	\$2,500	\$6,500	\$71	
Marketing and Advertising	\$42,866	\$42,866	\$42,866	\$471	\$42,866
Plan and Cost Review Analysis	\$0	\$0	\$9,850	\$108	
Property Taxes	\$15,000	\$15,000	\$15,000	\$165	
Soil Test	\$15,000	\$19,000	\$19,000	\$209	
Start-Up/Lease-up Expenses	\$0	\$76,819	\$38,410	\$422	
Survey	\$24,900	\$26,000	\$26,000	\$286	
Title Insurance and Recording Fees	\$152,056	\$126,993	\$126,993	\$1,396	\$126,993
Traffic Study	\$25,500	\$103,500	\$103,500	\$1,137	
Utility Connection Fees	\$188,453	\$404,000	\$404,000	\$4,440	
Soft Cost Contingency	\$0	\$0	\$260,091	\$2,858	
Total General Development Costs:	\$2,669,621	\$4,775,475	\$5,461,910	\$60,021	\$1,820,457

Notes to the General Development Costs:

1. AmeriNational reflects actual costs for the market study and plan and cost review analysis.

2. FHFC HC Compliance Fee is based on the 2014 HC Compliance Monitoring Fees. FHFC Administrative Fee is based upon a fee of 8% of the Annual HC Request of the Applicant.
3. The costs associated with the Architect and Engineer Fees reflect the amounts represented in the executed contracts between the consultants' and the Applicant as well as invoices/payment logs provided by the developer that were reviewed by the Underwriter.
4. As previously stated, the FF&E Paid Outside Construction Contract expense included by the developer as part of Construction Costs has been reallocated to General Development Costs for underwriting purposes.
5. Legal fees of \$1,193,694 include approximately \$913K of expenses documented by invoices/payment logs reviewed by the Underwriter. This expense was the result of litigation matters between the Applicant and the City of South Miami as it related to the Development. For the purposes of this analysis, all of the legal costs in the development budget have been represented as ineligible for the HC basis calculation.
6. Start Up/Lease up expenses of \$76,819 were originally included by the developer as part of the Reserves - Operating Deficit line item shown in "Financial Costs" below. AmeriNational reclassified them as part of "General Development Costs" and based the underwritten number on the expected absorption rate of the property as proposed.
7. A soft cost contingency of 5% has been underwritten, which is consistent with underwriting standards and may be utilized by the Applicant in the event soft costs exceed these estimates.
8. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs-CUR	Cost Per Unit	HC Ineligible Costs-CUR
Construction Loan Origination Fee	\$174,717	\$235,071	\$226,412	\$2,488	\$226,412
Construction Loan Closing Costs	\$114,000	\$181,000	\$181,000	\$1,989	\$30,000
Construction Loan Interest	\$838,639	\$834,461	\$702,837	\$7,723	\$702,837
Permanent Loan Origination Fee	\$31,718	\$11,450	\$11,450	\$126	\$11,450
Bridge Loan Interest	\$478,294	\$864,708	\$213,144	\$2,342	\$213,144
Reserves - Operating Deficit	\$0	\$350,000	\$350,000	\$3,846	\$350,000
Total Financial Costs:	\$1,637,368	\$2,476,690	\$1,684,843	\$18,515	\$1,533,843

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the letters of intent for equity and construction and permanent financing and appear reasonable to AmeriNational.
2. Construction Loan Origination fee as underwritten is based on 1% (per the CITI term sheet) of the adjusted loan amount necessary per AmeriNational's analysis.

3. The interest reserve for the Construction Loan is supported by the Construction Loan terms illustrated in the letter provided by CITI, the increased construction loan amount necessary based on the conclusions of this report, the duration of construction referenced in the Construction Contract, and the resultant calculation completed by AmeriNational through the use of a construction draw schedule provided by the Applicant. The computation includes a 1.00% cushion used by CITI to account for possible rate fluctuations.

4. Bridge Loan interest represented by the developer includes \$319,708 in pre-development interest costs and \$545,000 in land carrying costs. The developer produced five "Cost Advance and Reimbursement" agreements dated February 18, 2014 between the Applicant and four related entities and the principal in the transaction (Donald W. Paxton). The agreements indicate that all funds forwarded by these entities and Mr. Paxton would be reimbursable at cost plus a chargeable interest rate of 12%. Based upon historical underwriting standards, an 8% interest rate has been applied to these pre-development costs to arrive at the underwritten line item amount of \$213,144. The \$545,000 in land carrying costs, which represent deposits made toward the total \$4,700,000 purchase price for the land, have been reclassified in the "Land Acquisition Costs" section of the development budget.

5. The Operating Deficit reserve is based on the requirements set forth in the equity LOI provided by the Applicant. WFCLI requires a \$350,000 operating deficit reserve account to be funded at the time of the 3rd Capital Contribution. As previously detailed, Start up/Lease up costs previously shown by the developer as part of this line item have been reclassified accordingly within the development budget.

OTHER DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Development Cost Before Developer Fee	\$19,846,733	\$19,011,946	\$23,275,754	\$255,778	\$3,454,300
Developer Fee	\$3,175,477	\$3,737,696	\$3,661,975	\$40,241	
Total Other Development Costs:	\$3,175,477	\$3,737,696	\$3,661,975	\$40,241	\$0

Notes to the Other Development Costs:

1. Developer Fee of \$3,661,975 is within 16.00% of Development Costs before Land and exclusive of reserves as permitted by Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$4,000,000	\$4,700,000	\$4,155,000	\$45,659	\$4,155,000
Land Carrying Costs	\$0	\$0	\$545,000	\$5,989	\$545,000
Total Acquisition Costs:	\$4,436,715	\$4,700,000	\$4,700,000	\$51,648	\$4,700,000

Notes to Land Acquisition Costs:

1. An Appraisal performed by Clobus dated as of November 19, 2013 identified an "As if Vacant" value for the land of \$4,700,000. A purchase and sale agreement dated September 16, 2013 between the

Applicant and 6101 Sunset, LLC, a Florida limited liability company, indicated a purchase price of \$4,700,000 for the land.

As previously referenced, \$545,000 in deposits paid toward the \$4,700,000 purchase price have been reallocated from the developer's representation of Bridge Loan Interest to this section of the development budget as Land Carrying Costs. The underwritten land value has been adjusted so as to account for this reallocation and show the total land acquisition costs in agreement with the actual value of the parcel per the appraisal and purchase and sale agreement provided by the Applicant.

TOTAL DEVELOPMENT COSTS:	\$27,458,925	\$32,225,117	\$31,637,729	\$347,667	\$8,154,300
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Notes to Total Development Costs:

1. Total construction costs have increased \$4,178,804 since Application. This is due to an overall increase in construction costs, legal fees associated with development-related litigation involving the City of South Miami, architect fees, impact fees, utility connection fees, FF&E, construction and permanent loan fees, and Developer fee.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$714,024	\$7,846
	Other Income		
	Ancillary Income	\$71,404	\$785
	Miscellaneous (commercial)	\$0	\$0
	Gross Potential Income	\$785,428	\$8,631
	Less:		
	Physical Vac. Loss Percentage: 3.00%	\$23,563	\$259
	Collection Loss Percentage: 1.50%	\$11,781	\$129
	Total Effective Gross Income	\$750,084	\$8,243
EXPENSES:	Fixed:		
	Real Estate Taxes	\$71,754	\$789
	Insurance	\$84,994	\$934
	Variable:		
	Management Fee Percentage: 5.00%	\$37,504	\$412
	General and Administrative	\$30,485	\$335
	Payroll Expenses	\$109,200	\$1,200
	Utilities	\$100,100	\$1,100
	Marketing and Advertising	\$9,100	\$100
	Maintenance and Repairs/Pest Control	\$40,950	\$450
	Grounds Maintenance and Landscaping	\$6,825	\$75
	Reserve for Replacements	\$27,300	\$300
	Total Expenses	\$518,212	\$5,695
Net Operating Income	\$231,872	\$2,548	
Debt Service Payments			
First Mortgage - Citibank	\$109,889	\$1,208	
Second Mortgage - Wells Fargo	\$67,476	\$741	
Third Mortgage - Miami Dade County	\$0	\$0	
Fourth Mortgage - Miami Dade County	\$8,145	\$90	
Fifth Mortgage - Non Profit Loan	\$0	\$0	
Total Debt Service Payments	\$185,510	\$2,039	
Cash Flow after Debt Service	\$46,361	\$509	
	Annual	Per Unit	
Debt Service Coverage Ratios			
DSC - First Mortgage	2.11	2.11	
DSC - Second Mortgage	1.31	1.31	
DSC - Third Mortgage	1.31	1.31	
DSC - Fourth Mortgage	1.25	1.25	
DSC - Fifth Mortgage	1.25	1.25	
DSC - All Mortgages and Fees	1.25	1.25	
Financial Ratios			
Operating Expense Ratio	69.1%		
Break-even Economic Occupancy Ratio (all debt)	89.6%		

Notes to the Operating Pro forma and Ratios:

1. Gross Potential Rental Revenue ("GPR") is based upon achievable LIHTC rents as presented by the market study. Please note that since the issuance of the appraisal (November 19, 2013), the developer has adjusted the proposed set-asides for units at the Development and they no longer match the information contained in the appraisal. The changes made by the developer result in a GPR that is approximately \$12K higher than what was concluded in the appraisal. However, based on the conclusions of the market study completed on February 25, 2014, the GPR has been underwritten utilizing rents at the LIHTC maximums which the market study consultant considers achievable in the market. Gross HC rents are based on the FHFC website with 2014 data effective as of December 18, 2013. The estimated utility allowances are \$66 for studio units, \$70 for one-bedroom units and \$83 for two-bedroom units and were based on the utility allowances calculated by Matern Engineering Services, Inc., an experienced engineering firm based in Florida. One hundred percent of the Development's units have committed to set-asides under the Housing Credit program. Eleven percent of the units (10 units) are to be set-aside for tenants with incomes at or below 28% of area median income ("AMI"), 4.4% of units (four units) are to be set aside for tenants at or below 30% of AMI, and 84.6% of the units (the remaining 77 units) are to be set-aside for tenants with incomes at or below 60% of AMI. In addition, at least 50% of the ELI units (5 units) will be set aside for Special Needs Households. A rent roll for the Development property is illustrated in the following table:

MSA (County): Miami-Ft. Lauderdale-Pompano Beach, FL MSA (Miami-Dade)

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Max Gross HC Rents	Utility Allowance	Max Net HC Rents	Applicant Rents	Underwriter Rents	Annual Rents
1	1	8	550	28%	\$357	\$70	\$287	\$287	\$287	\$27,552
2	1	2	700	28%	\$428	\$83	\$345	\$346	\$345	\$8,280
0	1	3	400	30%	\$357	\$66	\$291	\$292	\$291	\$10,476
1	1	1	550	30%	\$382	\$70	\$312	\$312	\$312	\$3,744
0	1	12	400	60%	\$714	\$66	\$648	\$649	\$648	\$93,312
1	1	48	550	60%	\$765	\$70	\$695	\$695	\$695	\$400,320
2	1	17	700	60%	\$918	\$83	\$835	\$836	\$835	\$170,340
Totals		91	50,650							\$714,024

When calculating an average market rental rate based on the unit mix and annualized rent concessions, the rent advantage for all of the units at the Development is in excess of 110% of the applicable maximum Housing Credit rental rate, as is required by Rule.

2. A 4.5% total economic vacancy rate was applied for underwriting purposes based on the appraisal, comparables, and rental market listed therein.
3. Ancillary Income is comprised of miscellaneous income related to multifamily operations (storage unit fees of \$8,640, washer/dryer rental commission of \$8,014, laundry income of \$32,000, and miscellaneous income of \$22,750) as presented in the appraisal. The income is based on

comparables in the market and development-specific information contained within the developer's proforma.

4. Miscellaneous Income for the retail lease of approximately 2,645 square feet (@ \$18.00 per SF, triple net) of space is part of the proposed construction of the Development. The estimated lease income of \$47,610 is based on a letter of interest from Subway Restaurant relied upon by the appraiser and included in the valuation process. The retail lease income is subject to a 10% commercial vacancy factor, which is in accordance with Fannie Mae Delegated Underwriting and Servicing ("DUS") Guide standards, and would yield a total of \$42,849 as proposed.

The appraisal also included an analysis of retail space in the Development's submarket and found the proposed lease rate of \$18.00 per SF to be well below that of the comparables surveyed, which indicated rates with a range of \$29.00 to \$39.27 per square foot. AmeriNational deems the analysis of retail income presented by the appraiser as reasonable; however, at the request of PHCD on March 12, 2014, in order to be consistent with the exclusion of retail/commercial income as exhibited in previously completed SURTAX subsidy layering reviews, the retail income detailed above has been omitted from this analysis.

5. AmeriNational utilized a real estate tax expense of \$789 per unit, which includes personal property taxes of \$15 per unit and takes into account a 4% discount for early payment. The overall tax burden is based upon rent restricted comparables in the market after applying the current millage rate for the municipality and an estimated assessment of \$38,462 per unit as presented by the appraiser. Comparable properties indicated a range of assessments from \$22,727 to \$29,469 per unit for LIHTC properties and \$107,896 to \$141,975 for market rate properties.
6. AmeriNational utilized an estimate of \$934 per unit for insurance, which is consistent with the appraisal and its reliance on comparable data. The figure used is slightly higher than insurance expenses for restricted rent comparables presented by the appraiser, which ranged from \$400 to \$914 per unit. The Development will be located in a flood zone designated "X", which is outside of the 100-year flood plain. As such, flood insurance will not be required.
7. The Applicant has submitted a Management Agreement executed as of January 14, 2014 between American Management Services Central, LLC d/b/a Pinnacle ("Pinnacle") and the Applicant. The term of the Agreement commences as of January 2, 2015, runs for an initial term of one year, and automatically renews for periods of one month unless the agreement is terminated. The agreed upon compensation to Pinnacle is 5% of effective gross income or a minimum of \$1,850 per month, whichever is greater. As such, a 5% management fee has been applied for underwriting purposes.
8. Replacement Reserves of \$300 per unit per year were utilized for underwriting purposes. This is in accordance with the Rule and consistent with the terms outlined in the LOI's for CITI and WFCL.
9. The estimated Net Operating Income ("NOI") for the proposed development's initial year of stabilized operations is \$231,872 based on total hard permanent debt of \$2,300,000, which as previously described, is the level at which the Development would qualify for SURTAX funding at a 1.25 to 1.00 DSC. AmeriNational sized the hard permanent debt in accordance with the parameters of the SURTAX applications, wherein the combined hard permanent debt of the Development cannot exceed a 1.25 to 1.00 ratio. Including the SURTAX financing, the current combined DSC for all debt is 1.25 to 1.00.

10. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

Section B

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Appraised Value: AmeriNational received and satisfactorily reviewed an appraisal prepared by Clobus, McLemore & Duke, Inc. ("Clobus") dated November 19, 2013 that was engaged by Citibank, N.A. The appraisal was executed by Walter B. Duke, MAI, a State Certified General Appraiser whose Florida license number is RZ375. The report estimates the hypothetical value, "At Stabilization" of the Development's fee simple interest, subject to unrestricted rents, as of November 3, 2013, is \$15,670,000. This conclusion is based on a market capitalization rate of 5.50% and a Net Operating Income derived from market rents and expenses supported by comparable market rate properties within the Development's market. The resulting loan to value is equal to 29.69% upon stabilization.

The report also estimates the hypothetical value, "At Stabilization" of the Development's fee simple interest, subject to the rental restrictions under the LIHTC program, as of November 3, 2013 is \$4,800,000. This conclusion is based on a capitalization rate of 5.50% and a Net Operating Income derived from rents restricted by the aforementioned programs with expenses supported by comparable income-restricted properties within the Development's market. The resulting loan to value is equal to 9.09% upon stabilization.

The report concludes that the Development's "As If Vacant" market value of the real estate as of November 3, 2013 is \$4,700,000. This amount is equal to the purchase price indicated in the Purchase and Sale Agreement dated September 16, 2013.

Market Study: A separate market study prepared by Novogradac & Company, LLP dated February 25, 2014 was received and satisfactorily reviewed by AmeriNational. The study concludes, based on market research and demographic analysis, that there is strong demand for the Development as proposed. Demand in the market is evidenced by the high occupancy rates of comparable properties in the market and their ability to achieve maximum LIHTC rents. Strengths of the Development will include its new construction, competitive in-unit and common amenities, and convenient location proximate to shopping and other supportive centers.

The Development will be located in South Miami, Miami-Dade County, Florida, which is part of the greater Miami-Ft. Lauderdale-Pompano Beach, FL Metropolitan Statistical Area ("MSA"). As of 2012, the Miami MSA contained 5,762,717 residents, making it the most populous MSA in Florida and the eighth most populous MSA in the nation. The MSA consists of Miami-Dade County, Broward County, and Palm Beach County. Access to the Development will be via a paved roadway from SW 61st Avenue and accessibility is considered good. The Development site is located approximately 0.2 miles east of South Dixie Highway, a major thoroughfare in the Miami area. The

Development is also well connected to area interstates via a number of state and national highways nearby. The Development is adjacent to SR-986, which provides access to SR-826 1.7 miles to the west. SR-826 in turn, provides access to Interstate 75 approximately 14.2 miles to the north.

The economy of the MSA is largely driven by tourism and international trade, but those areas represent only a portion of a diverse mix which also includes strong healthcare, government, education, professional services, and financial sectors, among others. The unemployment rate for the MSA hit a high of 11.2% in 2010, which was 1.6% higher than the national average during the same period. Current estimates of unemployment in the MSA (data through December 2013) are 7.3%, a 3.9% decrease from the 2010 average and a rate that is consistent with the national average. Population and household growth are expected to continue to increase through 2018 at annual rates of 1.10% and 1.07%, respectively. These figures are slightly below the national averages expected. Current estimates for population and number of households in the MSA are approximately 5.66MM and 2.13MM, respectively. An increase in median income is expected through 2018 at an annual rate of 3.77%. The 2013 estimate for the median income of the MSA was \$45,243.

The Development's competitive market area ("CMA") is synonymous with the Primary Market Area ("PMA"), which is defined by Novogradac as the area to the south of State Road (SR) 90, also known as U.S. 41; east of SR-985, also known as Southwest 107th Avenue; west of Biscayne Bay; and north of SR-992, also known as Coral Reef Drive. The PMA encompasses 74.4 square miles. Local property managers at comparable properties reported that the majority of their competition comes from within the PMA and that seniors searching for housing in the PMA are generally local and from the Miami area. Both senior and general population and household growth in the PMA is predicted to keep pace with that of the MSA through 2018. The senior and general populations of the PMA were estimated at 67,397 and 371,153 in 2013, respectively, and are expected to grow at annual rates of 2.67% and 1.09% through 2018. The number of senior and general households was estimated at 37,269 and 141,039 in 2013 and is anticipated to grow at annual rates of 2.47% and 1.17% through 2018. The median income for the PMA is higher than the MSA, and the 2013 estimate was \$50,277. This figure is anticipated to increase at an annual rate of 4.36% through 2018.

The percentage of renter-occupied housing units in the PMA is 39.5%, which exceeds the 2000 Census national average of 33.8%. The percentage of senior renter-occupied housing units in the PMA as of the 2013 census was slightly lower than the national average. The percentage of renter-occupied units is projected to decrease slightly through 2018; however the number of senior renter households is projected to increase.

Demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households, the calculation shows a capture rate of 0.43% for the 28% or less

of AMI units, 0.37% for the 30% or less of AMI units, and 3.19% for the 60% or less of AMI units. These capture rates indicate that there is strong income-eligible demand for the Subject's units restricted at 28%, 30% and 60% of AMI.

To provide another level of analysis, the consultant removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. They conducted an annual demand analysis, which is based on new income-eligible renter households moving into the area (in the Subject's first year of operation only) and those income-eligible renter households that are rent overburdened (paying over 35% of income to living costs) less the number of vacant LIHTC units in the PMA. This annual capture rate is 4.4% in the PMA.

The capture rates concluded indicate an expected absorption period of less than one year. The annual demand analysis is reflective of the demand for all of the Subject's 91 units. The capture rate is low and indicative of strong demand in all areas of analysis.

Novogradac concludes that the Development should not have a long term effect on existing affordable housing supply in the PMA based on current market and economic conditions.

The market study identified 11 comparable affordable properties located within the CMA containing 1,060 total units. The comparable affordable properties are Brisas Del Mar, which has 160 units and an occupancy rate of 100%; Camacol Tower, which has 100 units and an occupancy rate of 100%; Richmond Pines, which has 80 units and an occupancy rate of 100%; Royal Coast, which has 174 units and an occupancy rate of 100%; Tuscan View, which has 175 units and an occupancy rate of 100%; West Brickell Apartments, which has 130 units and an occupancy rate of 100%; West Brickell Tower, which has 32 units and an occupancy rate of 100%, and West Brickell View, which has 64 units and an occupancy rate of 100%, Janoski property, which has one unit and occupancy that could not be verified; and Postmaster Apartments, which has 55 units and occupancy that could not be verified. The Postmaster property appears on the FHFC Entire Portfolio Occupancy Report and had an occupancy rate of 96.4% as of December 2013. The report concludes an average occupancy rate for comparables within the sub-market of 100% at the time of survey, which satisfies the occupancy requirement stated in the Rule.

There are no FHFC Guarantee Fund developments located within a five-mile radius or within the PMA. Therefore, the construction of the Development is not expected to have a negative impact on any Guarantee Fund developments located within the PMA.

Environmental Report: A Phase I Environmental Site Assessment ("ESA") was performed on the property by Terracon Consultants, Inc. ("Terracon") and their assessment was

compiled in a report dated January 9, 2014. The ESA was conducted in accordance with ASTM Practice E1527-05 and noted the following:

The site is located in an area of Miami-Dade County where the Florida Department of Business and Professional Regulation ("DBPR") recommends implementation of passive radon controls to reduce the likelihood of elevated radon levels in new large buildings. Based on this information, the site is considered to have a potential for elevated indoor concentrations of radon gas.

Based on laboratory results of paint chip samples collected by Terracon during the previous August 2011 Phase I ESA, the dark red paint on interior steel columns is considered non LBP as defined by the EPA, but is lead paint as defined by OSHA. An employer is required to perform a negative exposure assessment for employees involved with lead paint to determine the anticipated level of dust exposure. However, worker exposure to dark red paint dust or fumes is not anticipated during demolition. Therefore, Terracon does not recommend personnel air monitoring of workers performing renovation activities involving disturbance (e.g., drilling, sanding, grinding, cutting, or abrading) of painted materials containing detectable lead concentrations for compliance with OSHA regulations unless dust or fumes from the dark red painted interior steel columns is identified during demolition.

The Florida DBPR recommends implementation of passive radon controls during construction to reduce the likelihood of elevated indoor radon levels. A 10 mil vapor barrier complying with Florida Building Code for Radon-Resistant New Commercial Building Construction (Appendix E, Chapter 9B-67) is specified in Forum Architecture & Interior Design, Inc's Plan No. S3.10 dated October 18, 2013, under the proposed 4-inch concrete building slab in the southern portion of the site. A vapor barrier is not necessary under the proposed ventilated parking garage.

Overall, the report concluded that there was no evidence of Recognized Environmental Conditions ("REC") identified in connection with the Development site and no further environmental investigation was warranted.

In addition, Terracon completed previous Phase I Environmental Site Assessment reports on August 12, 2011, and September 7, 2012. At the time of the site reconnaissance in 2011 and 2012, the site was improved with two attached one-story office buildings, associated paved parking, former bank drive-thru canopy, utilities and landscaped areas. The site's buildings were vacant at the time of both site assessments.

Terracon's previous reports did not identify RECs in connection with the site.

Terracon collected four chip samples of suspect lead-based paint (LBP) during the August 2011 Phase I ESA. A concentration of less than 0.5% lead (i.e., non-

LBP) was identified in dark red paint collected from interior steel columns of the site building.

Terracon completed an asbestos survey of the site buildings on November 27, 2012, following a limited asbestos survey on August 10, 2011, to satisfy the requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP). Interior and exterior building components were surveyed and samples were analyzed by Polarized Light Microscopy (PLM). Asbestos was not identified by the laboratory in the samples collected by Terracon.

Soils Test Report:

Terracon also completed a geotechnical exploration of the Development's site and compiled their findings in a report revised as of November 25, 2013. The report summarizes Terracon's field exploration and presents their findings, conclusions, and geotechnical engineering recommendations.

Terracon conducted a field exploration program consisting of five (5) Standard Penetration Tests (SPT) borings (B-1 to B-5) to a depth of about 65 feet below the existing ground surface. Additionally, Terracon conducted two (2) exfiltration tests (EX-1 and EX-2) to a depth of 15 feet below the existing ground surface in general accordance with South Florida Water Management District (SFWMD) "Usual Open Hole tests" method. The field tests were located in the field utilizing normal standard procedures, aerial photographs and existing landmarks.

It should be noted that natural limestone was encountered in the soil borings starting at depths ranging from about 1 to 2 feet below the existing ground surface. Therefore, the Contractor should be made aware that limestone exists near the existing ground surface and that excavation into the limestone may require special tools and/or methods.

Terracon recommends the use of deep foundations (augercast piles) for support of the proposed 8-story structure. Augercast piles may develop the compression load capacity in side shear (or skin friction) between the concrete grout and rock interface, end bearing or some combination thereof. As an added advantage, this system can be constructed with relatively little noise/vibration while still providing resistance to compression, lateral and uplift forces.

Terracon recommends the following two excavation support alternatives:

Wet Soil Mixing – Columns: Wet soil mixing is a ground improvement method technique that improves the characteristic of the soil/rock and provides a water seal by mechanically mixing the soil with cementitious binder slurry. Continuous/overlapping soil mix columns can provide earth retention and water seal. To construct the columns, a powerful drill advances drill steel with radial mixing paddles located near the bottom of the drill string. The binder slurry is pumped through the drill steel to the tool as it advances and additional soil mixing is achieved as the tool is withdrawn. The overlapping columns can provide a water seal along the walls and a seal plug can also be

constructed at the excavation bottom. These columns can be reinforced with H-piles to resist greater earth pressures, if required. Alternative A must be evaluated, designed and implemented by Specialty Geotechnical Engineer Contractor.

Steel Sheet Pile Walls – Sheet pile walls could be used to support the underground parking excavation. However, this alternative should be carefully evaluated given the proximity to the existing building foundations (Terracon does not have any information on the existing buildings' foundation type) and the anticipated vibrations during installation. Depending on the final excavation depth and the wall unsupported height, cantilever sheet pile walls may need to be anchored. The anchors may extend past the property line and may impact the adjacent foundations. Therefore, anchor sheet piles may not be used for this project. The bottom of the excavation should be designed to resist hydrostatic uplift forces. It should be noted that excavations to a depth of approximately 15 feet below the existing grade may result in unstable bottom conditions (e.g. piping) due to the sand layer found below the upper limestone formation. Therefore, tremie concrete may be required at the bottom excavation to avoid such condition. The following are Terracon's suggestions for the installation of the steel sheet piles:

- Sheet pile refusal may occur on a random and unpredictable basis due to zones of relatively hard rock materials not revealed by the test borings. We recommend that pre-drilling be considered prior to the installation of the sheet piles and to minimize vibrations on existing buildings.
- Pre-drilling may be required in order to prevent refusal conditions, damage of the structural section and to minimize vibrations-induced settlements to nearby structures. Following pre-drilling, the piles should be set in place and vibrated or driven to the required tip elevations.
- The pile installation equipment will produce vibration and noise levels that may be considered disturbing to people and can produce vibrations noticeable in structures. The potential for damage to any adjacent structures during the pile installations will be dependent on the distance from the adjacent structures to the location of the piles installation, the subsurface conditions, and the level of sensitivity of the structure to any type of vibration.
- Terracon suggests that the recommendations provided in Section 455-1.1 of the FDOT Standard Specifications should be followed for the protection of the existing structures during sheet piling operations. All those structures and or utilities located adjacent to the proposed excavation shall be surveyed as well as monitored for vibrations and settlements in accordance with Section 455-1.1 of the FDOT Standard Specifications.

Terracon recommends that sheet pile wall construction be evaluated, designed and implemented by a Specialty Engineering Contractor.

Ground floor slabs can bear directly on top of compacted structural fill material. A modulus of subgrade reaction value of 200 pounds per cubic inch may be used for design. Where appropriate, saw-cut control joints should be placed in the slab to help control the location and extent of cracking.

Joints or any cracks that develop should be sealed with a water-proof, non-extruding compressible compound specifically recommended for heavy duty concrete pavement and wet environments. The use of a vapor retarder should be considered beneath concrete slabs-on-grade that will be covered with wood, tile, carpet or other moisture sensitive or impervious coverings, or when the slab will support equipment sensitive to moisture. When conditions warrant the use of a vapor retarder, the slab designer and slab contractor should refer to ACI 302, ACI 360, and Florida Building Code (FBC) Section 1807 for procedures and cautions regarding the use and placement of a vapor retarder; however, local requirements that might affect what moisture barrier may use should also be consulted.

Proper control of the placement and compaction of new fills for the project should be exercised by a representative of the geotechnical engineer. The fill materials should be placed in lifts not exceeding 12 inches in loose thickness. Each lift should be compacted to a minimum of 95 percent of the Modified Proctor maximum dry density near the optimum moisture content as determined by ASTM D-1557. Fill to be compacted with a vibratory plate tamper or a small walk behind vibratory roller should be placed in lifts not exceeding six inches in loose thickness. It is imperative that any fill be placed, compacted and tested in accordance with the requirements of this report. The tests should be performed by a qualified soils technician working under the supervision of a geotechnical engineer in accordance with appropriate ASTM procedures. Any fill indicating less than the recommended relative compaction should be re-compacted until the required density is obtained prior to the placement of subsequent fill lifts or pouring concrete for substructures. Structural fill should be free of organic matter and consist of granular material containing less than 12 percent passing the U.S. Standard No. 200 mesh sieve. The fill material may be composed of either clean sands and/or limerock. The fill material should have no particle size in excess of three (3) inches and have a Unified Soil Classification System (USCS) designation of GP, GW, GP-GM, GW-GM, SP, SW, SP-SM or SW-SM. Structural fill or backfill to be placed below the water table level should consist of an inorganic, non-plastic material, free of any man-made debris, limerock with a three (3) inch maximum particle size with ASTM classification (USCS) of GP, GW or FDOT 57 Stone with less than 5 percent material finer than the No. 200 sieve and a maximum particle size of 3 inches. The FDOT 57 stone should not be placed more than one foot above the water table level. The use of a commercially available fill material by the name "Cyclone Sand" should not be permitted for the project. Cyclone sand contains large amounts of fines and is

therefore very sensitive to moisture. The moisture sensitivity of the material makes it difficult to compact and achieve the desired densities.

Overall, the report provides recommendations based on the testing and analysis performed for site preparation and related construction. The detailed recommendations outlined by Terracon should be incorporated into the Construction Contract.

Plan & Cost Review: A plan and cost review was engaged by AmeriNational and performed by GLE Associates, Inc. ("GLE"). GLE summarized their review and conclusions in a draft report dated February 28, 2014. The report states that the plans and specification manual appears to be generally adequate in terms of their ability to define the scope of work and construct the Development. The report concludes the overall construction budget costs are acceptable at \$168,802/unit to construct the Development based on the Schedule of Values provided. Comparable projects ranged from \$120,796/unit to \$186,407/unit. GLE opined that the project duration of 485 days and individual task duration appear to be appropriate.

ADA Accessibility Review: An ADA Accessibility Review was performed by GLE as part of the Plan & Cost Review engagement with AmeriNational. Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 certifying that the plans for the Development comply with these requirements have been received by AmeriNational.

Features, Amenities & Resident Programs: The Applicant committed to provide certain Features & Amenities in accordance with 2011 Universal Application Form (the "Application"). The plan and cost review previously summarized has confirmed the features and amenities to be constructed at the Development are in accordance with the representations made in the Application, a list of which is contained in Exhibit 2 of this report.

In addition, specific Features & Amenities committed to by the Applicant as part of the SURTAX funding requirements have been confirmed by the consultant.

Site Inspection: An inspection of the Development's site was performed by the Credit Underwriter on December 14, 2012. The Development is to be located at 6101 Sunset Drive, South Miami, Miami-Dade County, Florida. Access to the Development will be via a paved roadway from SW 61st Avenue. Visibility and accessibility are considered good.

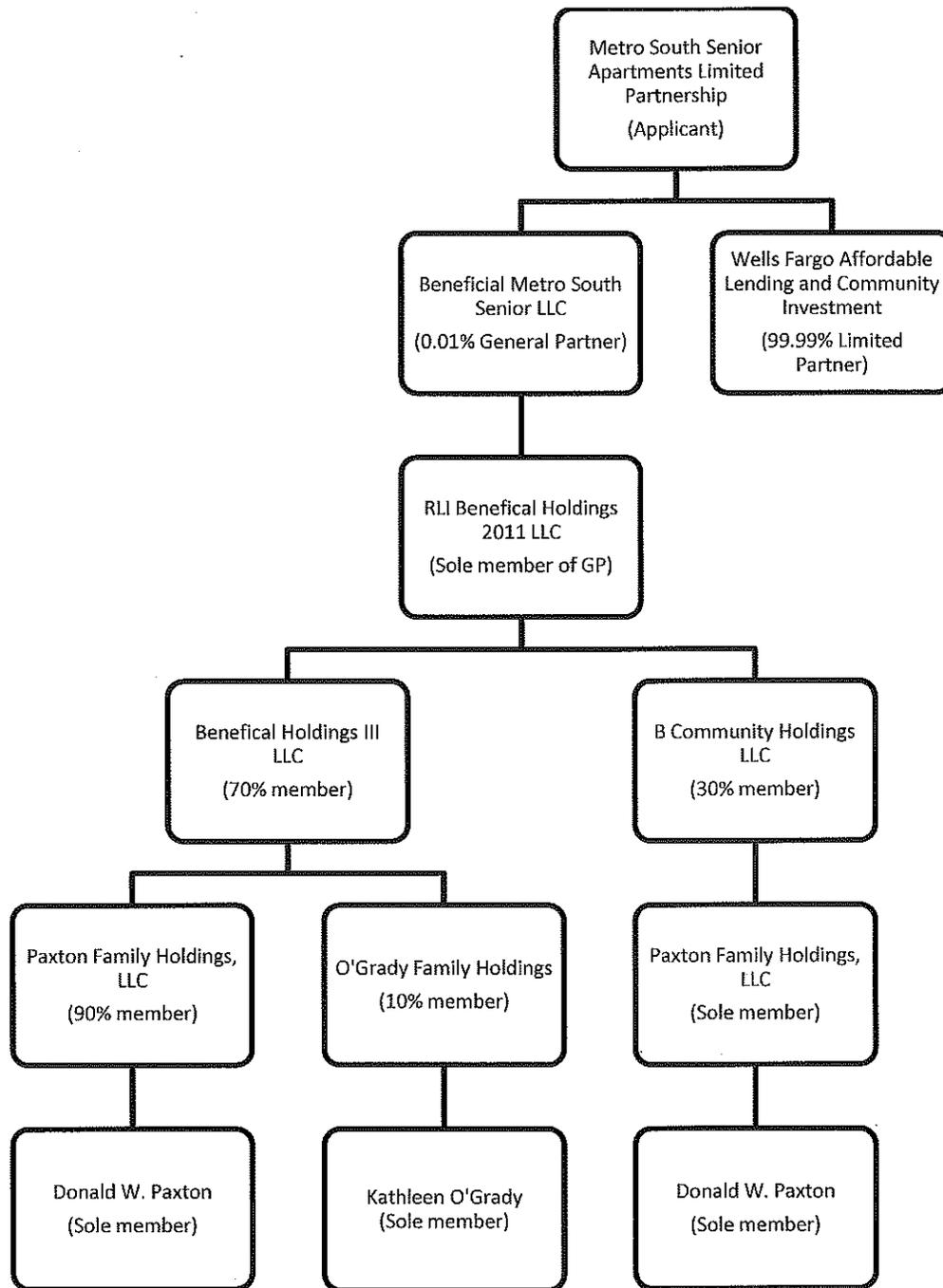
Borrower Information

Borrower Name: Metro South Senior Apartments Limited Partnership

Borrower Type: A Florida limited partnership

Ownership Structure: The Applicant is a Florida limited partnership formed on January 11, 2011 for the sole purpose of constructing, owning, and operating the Development. The General Partner is Beneficial Metro South Senior LLC, a Florida limited liability company, with a 0.01% ownership interest in the Applicant. RLI Beneficial Holdings 2011 LLC, a Florida limited liability company, will serve as the sole member and manager of the General Partner, with Donald W. Paxton as the managing member through his majority ownership in the aforementioned entities. RLI Beneficial Development 11 LLC will serve as the developer of the Development. The Initial Limited Partner will be Mr. Paxton, who has a 99.99% ownership interest in the Applicant and is also a principal of the Developer. Mr. Paxton will be replaced by WFCLI (99.99%), who will provide the HC equity in return for the annual allocation of HC requested by the Applicant.

The organizational structure of the Borrower is as follows:



Copies of the Articles of Incorporation and/or Organization have been provided on each of the majority ownership entities listed above. Certificates of Status for these involved parties have also been provided.

Contact Person(s): Donald W. Paxton
 dpaxton@beneficialcom.com
 Telephone: (941) 929-1270 extension 110

Facsimile: (941) 929-1271

Applicant Address: 2206 Jo An Drive
Sarasota, FL 34231

Federal Employer ID: 27-4581841

Experience: Metro South Senior Apartments Limited Partnership ("Applicant"): A single asset entity ("SAE") created for the sole purpose of constructing, owning, and operating the Development.

Beneficial Metro South Senior LLC ("General Partner"): An SAE created to serve as the General Partner of the Applicant.

RLI Beneficial Holdings 2011, LLC: This shell entity serves as the sole member of the General Partner of the Applicant and is comprised of members Beneficial Holdings III LLC (70%) and B Community Holdings LLC (30%).

Beneficial Holdings III, LLC ("BH III"): The 70% member of the General Partner, this entity is 90% owned by Paxton Family Holdings (sole member is Donald W. Paxton) and 10% by O'Grady Family Holdings (sole member is Kathleen O'Grady).

B Community Holdings LLC: The 30% member of the General Partner, this entity is 100% owned by Donald W. Paxton.

RLI Beneficial Development 11 LLC ("RLI 11" or "Developer"): RLI 11 is the Developer in the transaction. The entity was formed as of January 13, 2011 and its majority members consist of Beneficial Development III LLC (81%), AHG-RLI, LLC (18%), and Robert Lomas (1%). Donald W. Paxton is the majority owner (90%) of Beneficial Development III LLC and acts as the managing member of RLI 11.

Donald W. Paxton: Mr. Paxton is an experienced affordable housing real estate developer who has been involved in the development of over 165 apartment communities in 24 states over the course of his career. He was formerly the Director of Development at Brisben Companies, Inc., one of the most active developers of affordable multi-family housing in the nation. Mr. Paxton is currently the President and Director of Development for Beneficial Communities, Inc. He has experience with funding sources such as federal/state tax credits, tax-exempt bonds, CDBG, HOME, and HOPE VI, among others. He is being relied upon for his financial wherewithal and developmental experience in the proposed transaction.

Credit Evaluation: The Applicant and its General Partner are single purpose entities with no credit history. Dun & Bradstreet Business and Information Reports ("D&B") were requested for BH III, B Community Holdings LLC, and RLI 11 but no information was available.

Donald W. Paxton: AmeriNational obtained an Experian Credit Profile Report dated February 26, 2014. No derogatory credit was reported at this time. Payment history indicates all accounts remain current.

Banking References: AmeriNational has not verified deposits for the Applicant and General Partner as they are SAE's and do not represent any liquid assets. No deposits were verified for BH III, B Community Holdings LLC, and RLI 11 as they do not report any liquid assets.

Donald W. Paxton: AmeriNational received bank statements from Bank of America and Charles Schwab for the period ended December 31, 2013. The total liquidity presented is consistent with the financial statement provided.

Financial Statements: The Applicant and its General Partner represent having no assets or liabilities based on the fact they are newly formed entities. BH III presented a financial statement with minimal assets/liabilities (low three figures), and B Community Holdings LLC represented having no assets or liabilities.

RLI 11

<u>December 31, 2013</u>	<u>(Compiled)</u>
Cash and Cash Equivalents:	\$ 3,484
Total Assets:	\$ 3,484
Total Liabilities:	\$ 1,083,108
Total Member's Equity:	\$ (1,079,654)

The financial information is based upon financial statements compiled by Westland Consulting, Inc. for the period ending December 31, 2013. RLI 11's assets consist of land deposits. Liabilities consist of accounts payable and payables due to affiliates.

AmeriNational has received and reviewed the 2011 and 2012 tax returns filed for RLI 11 and found them to be acceptable. A 2013 tax return was not yet available.

RLI 11 does not claim ownership in any real estate; as such no Schedule of Real Estate Owned was provided for the entity.

Donald W. Paxton

<u>December 31, 2013</u>	<u>(Unaudited)</u>
Cash and Cash Equivalents:	\$ 791,789
Total Assets:	\$ 18,345,297
Total Liabilities:	\$ 1,622,402
Total Member's Equity:	\$ 16,722,895

The financial information is based upon an internally prepared financial statement for the period ending December 31, 2013. Mr. Paxton's assets consist of cash, mutual funds, short- and long-term developer/general partner

fees receivable, loans receivable, business holdings, and personal property. Mr. Paxton's liabilities consist of auto/marine loans payable, a business line of credit, and other long-term payables.

AmeriNational has received and reviewed 2011 and 2012 tax returns for Mr. Paxton and found them to be acceptable. A tax return for 2013 was not yet available.

Mr. Paxton provided a Schedule of Real Estate Owned for stabilized properties dated as of June 30, 2013. Mr. Paxton's portfolio consists of 18 multifamily assets located in Florida (12), Georgia (3), Alabama (1), Pennsylvania (1), and New Jersey (1), with a total of 1,726 units. Average occupancy for the assets was reported at 95.2% for the portfolio.

**Contingent
Liabilities:**

The Applicant, its Managing General Partner, BH III, and B Community Holdings LLC report that they do not have any contingent liabilities.

RLI 11: AmeriNational reviewed a Statement of Financial and Credit Affairs for the entity executed by Mr. Paxton that states there are no pending legal actions, bankruptcies, foreclosures, or unsatisfied judgments. AmeriNational was advised that the entity had no contingent liabilities.

Donald W. Paxton: AmeriNational reviewed a Statement of Financial and Credit Affairs executed by Mr. Paxton that states he has no bankruptcies, foreclosures, or unsatisfied judgments. Mr. Paxton provided dismissal/settlement documentation for two prior lawsuits (dated March 2012 and May 2012) in which he was named as a defendant. No other legal matters involving Mr. Paxton were disclosed to AmeriNational.

Mr. Paxton represents that he has approximately \$918K in contingent liabilities tied to operating deficit guarantees for four stabilized and two under construction properties listed on his SREO. The maturity dates for the assets ranged from 12/1/2013 to 12/1/2017 for the stabilized properties and stabilization plus four and five years, respectively, for the two properties under construction. The average occupancy rate for the stabilized assets was reported at 96.8%.

Summary:

The information provided indicates Mr. Paxton is a principal of the Developer and General Partner entities. He has considerable relevant experience to successfully complete the Development.

Syndicator Information

Syndicator Name: Wells Fargo Community Lending and Investment ("WFCLI")

Type: WFCLI, its affiliate or designee, will have a controlling interest in the 99.99% investor limited partner

Contact Person(s): Vincent Serock
 Director
 Phone: (704) 383-1858
 Fax: (704) 715-0046
vince.serock@wellsfargo.com

Address: Wells Fargo Bank, N.A.
 Community Lending and Investment
 One Wells Fargo Center, TW17
 301 S. College Street, MAC: D1053-170
 Charlotte, North Carolina 28288

Experience: Wells Fargo is a \$1.3 trillion financial services company, providing banking, insurance, trust and investments, mortgage, investment, brokerage, and consumer finance to individuals and businesses. Wells Fargo supports economic development, job creation, and affordable housing through Low-Income Housing Tax Credits (LIHTCs), Historic Tax Credits, and New Markets Tax Credits (NMTCs). They provide tax credit equity and investments in affordable housing, historical properties, and commercial properties in low-income communities. Wells Fargo has a wealth of experience in affordable housing and have, directly and indirectly, been involved with or provided several billions of dollars worth of equity and financing for affordable housing projects.

Financial Statements: AmeriNational received and reviewed the most recent 10-Q unaudited financial statements for Wells Fargo & Company and Subsidiaries, of which WFCLI is a part of:

Wells Fargo & Company	
<u>September 30, 2013</u>	<u>(Unaudited)</u>
Cash and Cash Equivalents:	\$ 18,928,000,000
Total Assets:	\$ 1,488,055,000,000
Total Liabilities:	\$ 1,319,242,000,000
Stockholder's Equity:	\$ 188,813,000,000

Wells Fargo's liquid assets consist of \$18.9 billion in cash and cash equivalents. Their largest assets consist of Loans (\$812 billion) and Securities Available for Sale (\$259 billion). Liabilities consist primarily of Total Deposits (\$1.04 trillion) and Long Term Debt (\$151 billion). Overall, the statement shows substantial liquidity and Stockholder's Equity. A consolidated

statement of comprehensive income was also provided, which shows net income of \$13.4 billion for the period ended September 30, 2013. Year end 2013 audited financial statements were not yet available for review.

Summary:

WFCLI (and Wells Fargo in general) has demonstrated the experience to successfully serve as the equity syndicator and managing interest of the investor limited partner. Wells Fargo provides strong financial backing and credit support for any obligations of WFCLI.

General Contractor Information

General Contractor: Siltek Group, Inc. ("Siltek")

Type: A Florida corporation

Contact Person: Ana Paula Silveira-Sierra
 President
siltek@siltekgroup.com
 Telephone: (954) 370-1368
 Facsimile: (954) 370-1390

Address: 1232 N. University Drive
 Plantation, FL 33322

Experience: Siltek was formed in 1998 and specializes in commercial, residential and low-to mid-rise construction, owner's representation for construction administration and project management, value engineering, and cost estimating. Siltek has been engaged in the construction of a wide variety of affordable housing and commercial developments, including single-family homes, townhouses, and elderly rental housing. Principals Ana Paula Silveira-Sierra and Rene Silveira have over 50 years combined experience in the real estate construction industry. Siltek submitted the license of Mrs. Silveira-Sierra who is a Florida Certified General Contractor with license number CGC060949. The license is valid through August 31, 2014.

Credit Evaluation: A D&B Report dated February 12, 2014 was obtained for the General Contractor. No open lawsuits, judgments, bankruptcy proceedings, or liens exist within the D&B database.

Banking References: AmeriNational received statements from BankUnited and Northern Trust Bank confirming total deposits in the low-seven figures as of January 31, 2014. The liquidity verified is consistent with what is shown in the YE 2012 audit for the entity.

Financial Statements: The most recent available financial statement for Siltek is summarized below. The data contained therein encompasses all related entities of Siltek:

Siltek Group, Inc.	
<u>December 31, 2012</u>	<u>(Audited)</u>
Cash and Cash Equivalents:	\$ 2,932,273
Total Assets:	\$ 12,047,218
Total Liabilities:	\$ 7,781,508
Members' Equity:	\$ 4,265,710

The financial statements presented were audited by E.F. Alvarez & Company, P.A. as of December 31, 2012. Year end 2013 statements were not available

at the time of this underwriting. The statements received an unqualified audit and present a financial position acceptable to serve as General Contractor for a development of this size.

Summary:

Siltek has the requisite experience, credit, and financial capacity to construct the proposed development.

AmeriNational recommends that Siltek be accepted as the general contractor and the construction contract be approved subject to the recommendations of the Plan and Cost Review performed by GLE.

Property Manager Information

Management Company: American Management Services East, LLC d/b/a Pinnacle ("Pinnacle")

Type: A Texas limited liability company

Contact Person: Rick Graf
President
Telephone: (214) 891-1402
Facsimile: (214) 452-0101

Address: 5055 Keller Springs Rd.
Suite 400
Addison, Texas 75001

Experience: Pinnacle is a national leader in third-party management of investment real estate, overseeing a portfolio of more than 1,000 apartment, office, industrial and retail assets valued at roughly \$18 billion. Their portfolio includes approximately 185,000 multifamily housing units and 15 million square feet of commercial space. Pinnacle is also a recognized leader in affordable housing management with approximately 45,000 units under management and a national leader in the privatization of military housing with over 32,000 units in their portfolio. In addition, Pinnacle provides homeowner association management services to planned communities, condominiums and cooperatives.

Management Agreement: The Applicant has submitted an executed Management Agreement as of January 14, 2014 between Pinnacle and the Applicant. The term of the Agreement commences as of January 2, 2015, runs for an initial term of one year (until January 2, 2016), and automatically renews for periods of one month unless the Agreement is terminated. The agreed upon compensation to Pinnacle is 5% of gross receipts or a minimum of \$1,850 per month, whichever is greater. The term "gross receipts" shall be deemed to include all rents and other income and charges from the normal operation of the Project, including, but not limited to, rents, parking fees, net laundry income, forfeited security deposits, pet deposits, other fees and deposits, and other miscellaneous income. Gross receipts shall not be deemed to include income arising out of the sale of real property or the settlement of fire or other casualty losses and items of a similar nature; however, any portion of an insurance settlement that provides for loss of rents shall be considered part of gross receipts.

Management Plan: The Applicant has submitted a Management Plan which outlines the various policies and procedures to be implemented in managing the Development.

The Management Plan confirms the resident programs committed to in the Application will be implemented at the development.

Summary:

Pinnacle demonstrates sufficient experience in the management of affordable multifamily housing to serve as the Property Manager for the Development. Pinnacle is also an approved management company of FHFC's Asset Management Department.

Exhibit B
Development and Grant Agreement

**GENERAL OBLIGATION BOND (GOB)
BUILDING BETTER COMMUNITIES (BBC)
AFFORDABLE HOUSING
DEVELOPMENT AND GRANT AGREEMENT**

**BETWEEN
MIAMI-DADE COUNTY
and
AFFORDABLE HOUSING SOLUTIONS FOR FLORIDA, INC.**

This Development/Grant Agreement ("Agreement"), by and between Miami-Dade County, a political subdivision of the State of Florida ("County" or "Miami-Dade County"), through its Board of County Commissioners ("Board") and Affordable Housing Solutions for Florida, Inc. ("Grantee"), a Florida not-for-profit corporation, with offices at 1108 Kane Concourse, Suite 307, Bay Harbor Islands, FL, is entered into this _____ day of _____, 2014.

WHEREAS, pursuant to Resolution No. R-1017-13 adopted on December 3, 2013, , as amended by Resolution No. R- -14 adopted on _____ 2014 ("Allocation Resolution"), this Board approved a District 7 grant/allocation of \$ 1,000,000.00 (the "Total Funding Allocation") from Project No. 249 –"Preservation of Affordable Housing Units and Expansion of Home Ownership" of the Building Better Communities General Obligation Bond Program ("BBC GOB Program") to the Grantee for the construction by Metro South Senior Apartments Limited Partnership, LLC ("Developer") of ninety-one (91) affordable rental apartment units (the "Units") known as the Metro South Senior Apartments Project (the "Metro South Senior Apartments Project" or "Project") on real property located at 6101 Sunset Drive, South Miami, Florida (the "Property"); and

WHEREAS, the Units will be leased to certain Eligible Tenants (as that term is defined in Regulatory Agreement defined below) at certain rents based on a percentage of the annual area median income adjusted for family size ("AMI") established by the United States Department of Housing and Urban Development ("HUD") in accordance with Rental Regulatory Agreement attached to, and incorporated in, this Agreement as Exhibit 1 (the "Regulatory Agreement"); and

WHEREAS, Metro South Senior Apartments Project is estimated to cost \$32,338,769 (the "Total Project Cost") and will be funded in accordance with the sources and uses and the budget (the "Budget"), both of which are set forth in Exhibit 2 to this Agreement; and

WHEREAS, pursuant to the terms of this Agreement, the County will fund the Total Funding Allocation by making available, as soon as it is practicable, \$1,000,000 in Fiscal Year

2014-15 to the Grantee or the Developer as provided in Section 4 of this Agreement; provided, however, the disbursement of Total Funding Allocation is subject to the conditions set forth in this Agreement and, in particular, the covenant in Section 4; and

WHEREAS, the County pursuant to the Allocation Resolution, as amended, and the Board of Directors of the Grantee through a corporate resolution, have authorized their respective representatives to enter into this Agreement and the related Regulatory Agreement,

NOW, therefore, in consideration of the mutual covenants recorded in this Agreement and in consideration of the mutual promises and covenants contained and the mutual benefits to be derived from this Agreement, the parties agree as follows:

Section 1. Parties; Effective Date; and Term. The parties to this Agreement are the Grantee and the County. It is agreed by the parties that the Metro South Senior Apartments Project will be constructed by the Developer in accordance with the description in Section 2 and the Budget in Section 5. The County Mayor has delegated the responsibility of administering this Agreement to the Internal Services Department.

This Agreement shall take effect as of the date written above upon its execution by the authorized officers of the County and of the Grantee (such date the "Effective Date") or "Commencement Date") and shall terminate upon the completion and the issuance of a certificate of occupancy for the Metro South Senior Apartments Project or thirty-six months from the date of the initial disbursement pursuant to this Agreement, whichever occurs first.

Section 2. The Metro South Senior Apartments Project. Description; Timetable; and Revisions. The Metro South Senior Apartments Project will consist of 91 affordable rental apartment residences, (15) efficiency/one bath apartments, (57) one bedroom/one bath apartments and (19) two bedroom/one bath. The development will have a multi-purpose-community center, exercise room with equipment and library and each unit will be wired for high-speed internet and include a kitchen and pantry of 20 cubic feet, double compartment kitchen sink, steel exterior door frames, marble window sills, and ceramic tiles on bathroom floors.

The Metro South Senior Apartments Project will include certain "green" or sustainable features in each of the apartments. [DESCRIBE]

Grantee agrees that the Metro South Senior Apartments Project shall be completed within thirty-six (36) months from the date of the initial disbursement by the County pursuant to the terms of this Agreement. If construction is not completed and the County Mayor has not extended the time for completion pursuant to terms of this Agreement, it shall be an Event of Default under Section 15 of this Agreement.

The Grantee may only use the Total Funding Allocation for the purpose of loaning such Allocation to the Developer for the construction of the Metro South Senior Apartments Project

in the manner described in this Section 2. Any revisions to the description of the Metro South Senior Apartments Project shall require approval of the County in writing.

Section 3. Rental Regulatory Agreement. The Units shall be set aside for a mix of Eligible Tenants as that term is defined in the Regulatory Agreement with incomes equal to or less than sixty percent (60%) of the area medium income adjusted for family size ("AMI") as established by the Department of Housing and Urban Development ("HUD"). Ten (10) Units will be leased to Eligible Tenants with incomes equal to or less than twenty-eight percent (28%) of AMI, fourth (4) of the Units will be leased to Eligible Tenants with incomes equal to or less than thirty percent (30%) of AMI and the remaining seventy-seven (77) Units will be leased to Eligible Tenants with incomes equal to or less than sixty percent (60%) of AMI.

The initial monthly rates and rental terms are set forth in the Rental Regulatory Agreement. The rents are subject to an annual adjustment in accordance with the terms of the Rental Regulatory Agreement. The Regulatory Agreement shall be recorded by the Grantee at its expense. County shall have no obligation to disburse any portion of the Total Funding Allocation pursuant to this Agreement until evidence of such recordation is delivered to the County. Any documents which are recorded in connection with the funding of the Total Funding Allocation, including without limitation the Regulatory Agreement, shall be specifically subordinate to any commercial mortgage financing obtained by the Grantee or the Developer to fund the Metro South Senior Apartments Project so long as the Units remain affordable at the set asides set forth in the Regulatory Agreement.

Section 4. Availability and Payment of Total Funding Allocation. Subject to availability of Funds as set forth in this Section 4, the receipt by the County of the documents set forth in Section VI of the Regulatory Agreement and the terms of this Agreement, the County agrees to make disbursements to the Grantee or the Developer or any lender that advanced funds used by the Developer to pay such invoices, if designated by the Grantee, as soon as it's practical, from available Funds for the Total Funding Allocation in accordance with the BBC GOB five year capital plan and the Funding Plan for each Fiscal Year after receipt of invoices from the Grantee or from the Developer, with certification from the Grantee, for capital costs incurred in connection with the construction of Metro South Senior Apartments Project, however, such reimbursements shall be made not more than thirty (30) days after receipt of invoices when Funds are available. With each request for reimbursement, the Grantee shall also provide a written statement that (a) the Grantee is not in default pursuant to the provisions of this Agreement and the Regulatory Agreement; (b) the budget has not been materially altered without the County's approval; (c) all reports contemplated in Section 7 below, and in the Regulatory Agreement have been submitted; and (d) the reimbursement is in compliance with the IRC Reimbursement Rules defined below in this Section 4.

All Funds shall be disbursed on a reimbursement basis in accordance with the County's BBC GOB Administrative Rules which are attached as Attachment 1 ("Administrative Rules") and incorporated in this Agreement by this reference. By making the Total Funding Allocation pursuant to this Agreement, the County assumes no obligation to provide financial support of any type whatsoever in excess of the Total Funding Allocation. Cost overruns are the sole

responsibility of the Grantee. Grantee understands and agrees that reimbursements to the Grantee shall be made in accordance with federal laws governing the BBC GOB Program, specifically the Internal Revenue Code of 1986 and the regulations promulgated under it. Any reimbursement request by the Grantee or Developer for eligible Metro South Senior Apartments Project expenses shall be made no later than eighteen (18) months after the later of (a) the date the original expenditure is paid, or (b) the date the Units are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid by the Grantee or the Developer.

The County shall only be obligated to reimburse the Grantee provided the Grantee is not in breach of this Agreement, is in compliance with the IRS Reimbursement Rules and the Grantee has demonstrated that it has adequate funds to complete the Metro South Senior Apartments Project. The Total Funding Allocation shall be reduced by the amount of Funds disbursed from time to time pursuant to this Agreement. The County shall administer, in accordance with the Administrative Rules, the funds available from the BBC GOB Program as authorized by Board Resolutions. Any and all reimbursement obligations of the County pursuant to this Agreement are limited to, and contingent upon, the availability of funding solely from the BBC GOB Program funds allocated to fund the Metro South Senior Apartments Project.

The County covenants to appropriate in its annual budget Total Funding Allocation derived from the sale of BBC GOB notes and/or bonds, or other County financial vehicles designed to bridge the sale or availability of BBC GOB notes and/or bonds ("GOB Bond Funds") in the amount necessary to fund the Funding Plan in each Fiscal Year until the Total Funding Allocation is fully funded in accordance with the Funding Plan. The County agrees to notify the Grantee and Developer in writing if there is any proposed change to an annual appropriation through a subsequent budget amendment in that fiscal year provided, however, the County's failure to notify the Grantee and/or Developer of such notice shall not constitute a default under this Agreement. **The Grantee and Developer may not require the County to use any other source of legally available revenues other than from GOB Bond Funds to fund the Funding Plan. This Agreement does not in any manner create a lien in favor of the Grantee or the Developer on any revenues including the GOB Bond Funds of the County. The County agrees to respond in writing within fifteen (15) days of a request from the Grantee during the term of this Agreement as to the amount appropriated by the County for the Funding Plan for the current Fiscal Year.**

Section 5. Project Budget. The Grantee agrees to demonstrate fiscal stability and the ability to administer Funds received pursuant to this Agreement responsibly and in accordance with standard accounting practices by adhering to a budget for the Project ("Budget") which is attached as Exhibit 2 as adjusted from time to time pursuant to the terms of this Agreement. The Grantee shall adjust the Budget to reflect actual costs and updated cost estimates and shall submit such adjustments to the County Mayor if they result in a material change in the Budget. A material change shall mean a change of more than 10% in the total Budget.

The Grantee shall submit or cause to be submitted, a Budget change to the County for Board approval if: (i) there is a reallocation of expenses between acquisition and development activities; (ii) there is a proposed reduction or revision of the scope or objectives of the Project that substantially changes the original intent of the Project; and (iii) there is an increase in soft costs (as defined in the Administrative Rules) that would exceed seventeen percent (17%) of the total Project costs or twenty (20%) for green building design, commissioning and pre-certification services in accordance with the Sustainable Buildings Ordinance and Implementing Order 8-8. Grantee shall not proceed with the reduction or revision until the Board has approved such reduction or revision.

Section 6. Expenditure Deadline; Remaining Funds. The Grantee shall spend or commit all of the Total Funding Allocation on or before thirty-six months from the Commencement Date (the "Expenditure Deadline"). Any Total Funding Allocation funds not spent or committed by the Expenditure Deadline or for which a Metro South Senior Apartments Project extension has not been requested shall revert to the County and this Agreement shall be terminated in accordance with the provisions of this Agreement.

Project extension may be requested in writing from the County Mayor at least sixty (60) days prior to the Expenditure Deadline. The County Mayor, at his or her discretion, may grant an extension of up to one (1) year from the Expenditure Deadline so long as such extension will not alter the Metro South Senior Apartments Project including its quality, impact, or benefit to the County or its citizens. All extension requests may be authorized by the County Mayor and must include written justification for such an extension request to be warranted and a statement on the progress of the Metro South Senior Apartments Project.

In any case, the three year period shall be extended upon the request of the Grantee for delays caused by casualty, war, terrorism, unavailability of labor or materials, civil uprising, governmental delays or other matters beyond Developer's control including, without limitations, delays caused by the County's failure to disburse the Funds in accordance with the terms of this Grant Agreement.

Section 7. Reports; and Filing Deadlines. To demonstrate that Funds disbursed pursuant to this Agreement have been used in accordance with the Project Description and Project Budget, the Grantee shall be asked to submit the following reports to the County Mayor:

Reports: The Grantee must submit to the County Mayor, a written report documenting that the Grantee is meeting, is fulfilling or has fulfilled all Project Description and Project Budget requirements. This report title, "draw request form Exhibit E" is to be received by the County Mayor, or his designee, along with each submission of a reimbursement request and will end upon Project completion.

Annual Statements: The Grantee shall also submit a written report to the County Mayor on or prior to September 30th of each year from the time of the execution of this Agreement through the termination of this Agreement demonstrating that the Grantee is fulfilling, or has fulfilled, its purpose, and has complied with all applicable municipal, County, state and federal

requirements, and this Agreement, exhibits, and/or other substantive materials affecting this Agreement, whether by reference or as may be attached or included as a condition to the distribution of Funds pursuant to the Funding Plan.

The County Mayor may also request a compilation statement or independent financial audit and accounting for the expenditure of Funds disbursed pursuant to this Agreement. This audit will be prepared by the Owner's independent certified public accounting firm at the expense of the Grantee. If a dispute arises regarding the expenditure of the Funds as shown in the compilation statement or independent financial audit, the County Mayor may request that an independent certified public accounting firm selected by the County perform an audit at the expense of the Grantee.

The County will notify the Grantee in writing if it does not receive a Report or Annual Statement timely. The Grantee shall have five (5) business days from the time it receives any such notice to respond and cure any reporting deficiency. The County may withhold the distribution of any additional Funds pursuant to this Agreement only after (a) the County notifies the Grantee of a report deficiency, and (b) the Grantee fails to cure the report deficiency within the prescribed timeframes above.

In the event that the Grantee fails to submit the required reports as required above, the County Mayor may terminate this Agreement in accordance with Section 15 or suspend any further disbursement of Funds pursuant to this Agreement until all reports are current. Further, the County Mayor must approve these reports for the Grantee to be deemed to have met all conditions of the grant award.

Section 8. Project Monitoring and Evaluation. The County Mayor may monitor and conduct an evaluation of the Grantee's operations and the Project, which may include visits by County representatives to observe and discuss the progress of the Project with the Grantee's personnel. Upon request, the Grantee shall provide the County Mayor with notice of all meetings of its Board of Directors or governing board, and Project-related events. In the event the County Mayor concludes, as a result of such monitoring and/or evaluation, that the Grantee is not in compliance with the terms of this Agreement or the Administrative Rules or for other reasons, then the County Mayor must provide in writing to the Grantee, within thirty (30) days of the date of said monitoring/evaluation, notice of the inadequacy or deficiencies noted which may significantly impact on the Grantee's ability to complete the Project and fulfill the terms of this Agreement within a reasonable time frame. If Grantee refuses or is unable to address the areas of concern within thirty (30) days of receipt of such notice from the County Mayor, then the County Mayor, at his or her discretion, may withhold Funds until such time as the Grantee can demonstrate that such issues have been corrected. Further, in the event that the Grantee does not expend the Funds for the Project or uses any portion of the Funds for costs not associated with the Project and the Grantee refuses or is unable to address the areas of concern, then the County Mayor may request the return of all or a portion of the Funds disbursed to date pursuant to this Agreement. The County Mayor may also institute a moratorium on applications from the Grantee to County grants programs for a period of up to

one (1) year or until the deficient areas have been addressed to the satisfaction of the County Mayor, whichever occurs first.

Section 9. Accounting, Financial Review and Access to Records and Audits. The Grantee shall keep accurate and complete books and records for all receipts and expenditures of the Total Funding Allocation in conformance with reasonable general accounting standards. These books and records, as well as all documents pertaining to payments received and made in conjunction with the Total Funding Allocation, such as vouchers, bills, invoices, receipts and canceled checks, shall be retained by the Grantee and/or Developer in a secure place and in an orderly fashion in a location within Miami-Dade County at a location designated by the Grantee and/or Developer for at least three (3) years after the later of the Expenditure Deadline specified in Section 6; the extended Expenditure Deadline, as approved by the County Mayor, if any; the completion of a County requested or mandated audit or compliance review; or the conclusion of a legal action involving the Total Funding Allocation award, the Grantee and/or Metro South Senior Apartments Project for activities related to the Total Funding Allocation award.

The County Mayor may examine these books, records and documents at the Grantee's or Developer's offices within Miami-Dade County or other approved site by the County under the direct control and supervision of the Grantee and/or Developer during regular business hours and upon reasonable notice. Furthermore, the County Mayor may, upon reasonable notice and at the County's expense, audit or have audited all financial records of the Grantee and/or Developer, whether or not purported to be related to this grant.

The Grantee agrees to cooperate with the Miami-Dade Office of Inspector General (IG) which has the authority to investigate County affairs and review past, present and proposed County programs, accounts, records, contracts and transactions. The OIG contract fee shall not apply to this Agreement and the Grantee shall not be responsible for any expense reimbursements or other amounts payable to the IG or its contractors. The IG may, on a random basis, perform audits on this Agreement throughout the duration of said Agreement (hereinafter "random audits"). This random audit is separate and distinct from any other audit by the County.

The IG shall have the power to retain and coordinate the services of an IPSIG who may be engaged to perform said random audits, as well as audit, investigate, monitor, oversee, inspect, and review the operations, activities and performance and procurement process including, but not limited to, project design, establishment of bid specifications, bid submittals, activities of the Grantee and contractor and their respective officers, agents and employees, lobbyists, subcontractors, materialmen, staff and elected officials in order to ensure compliance with contract specifications and detect corruption and fraud. The IG shall have the power to subpoena witnesses, administer oaths and require the production of records. Upon ten (10) days written notice to the Grantee (and any affected contractor and materialman) from IG, the Grantee (and any affected contractor and materialman) shall make all requested records and documents available to the IG for inspection and copying.

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The IG shall have the power to report and/or recommend to the Board whether a particular project, program, contract or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both financially and operationally. Monitoring of an existing project or program may include reporting whether the project is on time, within Budget and in conformity with plans, specifications, and applicable law. The IG shall have the power to analyze the need for, and reasonableness of, proposed change orders.

The IG is authorized to investigate any alleged violation by a contractor of its Code of Business Ethics, pursuant to County Code Section 2-8.1.

The provisions in this section shall apply to the Grantee, its contractors and their respective officers, agents and employees. The Grantee shall incorporate the provisions in this section in all contracts and all other agreements executed by its contractors in connection with the performance of this Agreement. Any rights that the County has under this Section shall not be the basis for any liability to accrue to the County from the Grantee, its contractors or third parties for monitoring or investigation or for the failure to have conducted such monitoring or investigation and the County shall have no obligation to exercise any of its rights for the benefit of the Grantee.

Grantee agrees to cooperate with the Commission auditor who has the right to access all financial and performance related records, property, and equipment purchased in whole or in part with governmental funds pursuant to Section 2-481 of the County Code.

Section 10. Publicity and Credits. The Grantee must include the following credit line in all promotional marketing materials related to this funding including web sites, news and press releases, public service announcements, broadcast media, programs, and publications: "THIS METRO SOUTH SENIOR APARTMENTS PROJECT IS SUPPORTED BY THE BUILDING BETTER COMMUNITIES BOND PROGRAM AND THE MAYOR AND BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY."

Section 11. Naming Rights and Advertisements. It is understood and agreed between the parties hereto that the Grantee is funded by Miami-Dade County. Further, by acceptance of these funds, the Grantee agrees that Project(s) funded by this Agreement shall recognize and adequately reference the County as a funding source through the BBC GOB Program. In the event that any naming rights or advertisement space is offered on a facility constructed or improved with BBC GOB Program funds, then Miami-Dade County's name, logo, and slogan shall appear on the facility not less than once and equal to half the number of times the most frequent sponsor or advertiser is named, whichever is greater. Lettering used for Miami-Dade County will be no less than 75% of the size of the largest lettering used for any sponsor or advertiser unless waived by the Board. Grantee shall ensure that all publicity, public relations, advertisements and signs recognize and reference the County for the support of all Project(s). This is to include, but is not limited to, all posted signs, pamphlets, wall plaques, cornerstones, dedications, notices, flyers, brochures, news releases, media packages, promotions and stationery. The use of the official County logo is permissible for the publicity purposes stated

herein. The Grantee shall submit sample of mock up of such publicity or materials to the County for review and approval. The Grantee shall ensure that all media representatives, when inquiring about the Project(s) funded by the Agreement, are informed that the County is its funding source.

Section 12. Liability and Indemnification. It is expressly understood and intended that the Grantee, as the recipient of BBC GOB Program funds, is not an officer, employee or agent of the County, its Board of County Commissioners, its Mayor, nor the County department administering the Total Funding Allocation. Further, for purposes of this Agreement, the parties agree that the Grantee, its officers, agents and employees are independent contractors and solely responsible for the Metro South Senior Apartments Project.

The Grantee shall take all actions as may be necessary to ensure that its officers, agents, employees, assignees and/or subcontractors shall not act as nor give the appearance of that of an agent, servant, joint venture partner, collaborator or partner of the department administering these grants, the County Mayor, the Miami-Dade County Board of County Commissioners, or its employees. No party or its officers, elected or appointed officials, employees, agents, independent contractors or consultants shall be considered employees or agents of any other party, nor to have been authorized to incur any expense on behalf of any other party, nor to act for or to bind any other party, nor shall an employee claim any right in or entitlement to any pension, workers' compensation benefit, unemployment compensation, civil service or other employee rights or privileges granted by operation of law or otherwise, except through and against the entity by whom they are employed.

The Grantee agrees to be responsible for all work performed and all expenses incurred in connection with the Metro South Senior Apartments Project. The Grantee may subcontract as necessary to complete the Metro South Senior Apartments Project, including entering into subcontracts with vendors for services and commodities, provided that it is understood by the Grantee that the County shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and that the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract. It is expressly understood that the Grantee will be loaning the proceeds of the Funds to the Owners who will be building the Project. The development of the Project will be overseen by, and be the responsibility of, the Developer.

The Grantee shall indemnify and hold harmless the County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including reasonable attorneys' fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement and/or the development of the Metro South Senior Apartments Project by the Grantee or its employees, agents, servants, partners, principals, subconsultants or subcontractors (collectively, "Adverse Proceedings"). Grantee shall pay all claims and losses in connection with such Adverse Proceedings and shall investigate and defend all Adverse Proceedings in the name of the County, where applicable, including appellate proceedings, and

shall pay all costs, judgments, and attorneys' fees which may result from such Adverse Proceedings. Grantee expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Grantee shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as provided in this Section 12.

Section 13. Assignment. Other than as provided in this Section, the Grantee is not permitted to assign this Agreement or any portion of it. Any purported assignment will render this Agreement null and void and subject to immediate rescission of the full amount of the Total Funding Allocation award and immediate reimbursement by the Grantee of the full amount of the Total Funding Allocation disbursed to the Grantee. The County acknowledges that the Grantee and/or the Developer will be obtaining additional financing for the Metro South Senior Apartments Project and that such lender(s) will require an assignment of this Agreement and/or the Funds to such lender(s) as additional security for their loans. Such assignment will be expressly conditioned on the lender's agreement to use such Funds solely in fulfillment of the purposes set forth in this Agreement. Any such financing obtained by the Grantee and/or Owner for purposes of developing the Metro South Senior Apartments Project will be senior in lien priority to the funding evidenced by this Grant Agreement.

Section 14. Compliance with Laws. The Grantee is obligated and agrees to abide by and be governed by all Applicable Laws necessary for the development and completion of the Metro South Senior Apartments Project. "Applicable Law" means any applicable law (including, without limitation, any environmental law), enactment, statute, code, ordinance, administrative order, charter, tariff, resolution, order, rule, regulation, guideline, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization, or other direction or requirement of any governmental authority, political subdivision, or any division or department thereof, now existing or hereinafter enacted, adopted, promulgated, entered, or issued. Notwithstanding the foregoing, "Applicable Laws" and "applicable laws" shall expressly include, without limitation, all applicable zoning, land use, DRI and Florida Building Code requirements and regulations, all applicable impact fee requirements, all requirements of Florida Statutes, specifically including, but not limited to, Chapter 11-A of the County Code (nondiscrimination in employment, housing and public accommodations); all disclosure requirements imposed by Section 2-8.1 of the Miami-Dade County Code; County Resolution No R-754-93 (Insurance Affidavit); County Ordinance No. 92-15 (Drug-Free Workplace); County Ordinance No. 91-142 (Family Leave Affidavit); execution and delivery of public entity crimes disclosure statement, Miami-Dade County disability non-discrimination affidavit, and Miami-Dade County criminal record affidavit; all applicable requirements of Miami-Dade County Ordinance No. 90-90 as amended by Ordinance 90-133 (Fair Wage Ordinance); the requirements of Section 2-1701 of the Code and all other applicable requirements contained in this Agreement.

The Grantee shall comply with the Miami-Dade County Resolution No. R-385-98 which creates a policy of prohibiting contracts with firms violating the Americans with Disabilities Act of 1990 and other laws prohibiting discrimination on the basis of disability and shall execute a Miami-Dade County Disability Non-Discrimination Affidavit confirming such compliance.

The Grantee covenants and agrees with the County to comply with Miami-Dade County Ordinance No. 72-82 (conflict of Interest), Resolution No. R-1049-93 (Affirmative Action Plan Furtherance and Compliance), and Resolution No. R-185-00 (Domestic Leave Ordinance).

All records of the Grantee and its contractors pertaining to Metro South Senior Apartments Project shall be available in Miami-Dade County and, upon reasonable notice, shall be made available to representatives of the County. In addition, the Office of Inspector General of Miami-Dade County shall have access thereto for any of the purposes provided in Sec. 2-1076 of the Code of Miami-Dade County.

The Grantee shall submit to the department administering this Agreement, all affidavits required in this Section 14 prior to, or at the time, this Agreement is delivered by the Grantee to the County fully executed by an authorized officer.

Section 15. Default; Remedies and Termination.

(a) Each of the following shall constitute a default by the Grantee ("Grantee Default"):

- (1) If the Grantee uses any portion of the Total Funding Allocation for costs not associated with the Metro South Senior Apartments Project (i.e. ineligible costs), and the Grantee fails to cure its default within thirty (30) days after written notice of the default is given to the Grantee by the County; provided, however, that if not reasonably possible to cure such default within the thirty (30) day period, such cure period shall be extended for up to one hundred eighty (180) days following the date of the original notice if within thirty (30) days after such written notice the Grantee commences diligently and thereafter continues to cure.
- (2) If the Grantee shall breach any of the other covenants or provisions in this Agreement other than as referred to in Section 15(a)(1) and the Grantee fails to cure its default within thirty (30) days after written notice of the default is given to the Grantee by the County; provided, however, that if not reasonably possible to cure such default within the thirty (30) day period, such cure period shall be extended for up to one hundred eighty (180) days following the date of the original notice if within thirty (30) days after such written notice the Grantee commences diligently and thereafter continues to cure.
- (3) If the Grantee fails to complete the Metro South Senior Apartments Project within three (3) years of the Commencement Date of this Agreement subject to extension as provided above.

(b) The following shall constitute a default by the County ("County Default"):

- (1) If the County shall breach any of the covenants or provisions in this Agreement and the County fails to cure its default within thirty (30) days after written notice of the default is given to the County by the Grantee; provided, however, that if not reasonably possible to cure such default within the thirty (30) day period, such cure period shall be extended for up to one hundred eighty (180) days following the date of the original notice if within thirty (30) days after such written notice the County commences diligently and thereafter continues to cure.

(c) Remedies:

- (1) Upon the occurrence of a Grantee Default as provided in Section 15(a) and such default is not cured within the applicable grace period, in addition to all other remedies conferred by this Agreement, the Grantee shall reimburse the County, in whole or in part as the County shall determine, all funds provided to the Grantee by the County pursuant to the terms of this Agreement and upon payment in full by the Grantee, this Agreement and all related documents shall be terminated and any recorded documents shall be released.
- (2) Either party may institute litigation to recover damages for any default or to obtain any other remedy at law or in equity (including specific performance, permanent, preliminary or temporary injunctive relief, and any other kind of equitable remedy), provided, however, any damages sought by the Grantee shall be limited solely to legally available BBC GOB funds allocated to the Metro South Senior Apartments Project and no other revenues of the County.
- (3) Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default.
- (4) Any failure of a party to exercise any right or remedy as provided in this Agreement shall not be deemed a waiver by that party of any claim for damages it may have by reason of the default.

(d) Termination:

- (1) Notwithstanding anything herein to the contrary, either party shall have the right to terminate this Agreement and any related documents, by giving written notice of termination to the other party, in the event that a Grantee Default or County Default, as the case may be, has occurred and is continuing beyond any grace or cure period with respect to the other party, provided, however, such termination shall not be effective until all payments are made by Grantee to the County pursuant to (c) (1) of this Section 15 above.

- (2) Termination of this Agreement by any Party is not effective until five (5) business days following receipt of the written notice of termination.
- (3) Upon termination of this Agreement pursuant to Section 15(d)(1) above, no party shall have any further liability or obligation to the other party except as expressly set forth in this Agreement; provided that no party shall be relieved of any liability for breach of this Agreement for events or obligations arising prior to such termination.

In the event the Total Funding Allocation is canceled or the Grantee is requested to repay all or a portion of the Total Funding Allocation because of a breach of this Agreement, the Grantee will not be eligible to apply to the County for another grant or contract with the County for a period of one (1) year, commencing on the date the Grantee receives the notice in writing of the breach of this Agreement and the termination of this Agreement. Further, the Grantee will be liable to reimburse Miami-Dade County for all unauthorized expenditures discovered after the expiration or termination of this Agreement. The Grantee will also be liable to reimburse the County for all lost or stolen Total Funding Allocation funds.

Any funds, which are to be repaid to the County pursuant to this Section or other sections in this Agreement, are to be repaid by delivering to the County Mayor a certified check for the total amount due payable to Miami-Dade County Board of County Commissioners.

These provisions do not waive or preclude the County from pursuing any other remedy, which may be available to it under the law.

County shall give Developer, CitiBank, N.A. ("CITI"), as lender to Developer, and Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation (the "Investor Limited Partner"), as investor limited partner, written notice of any default by Grantee under the terms of this Agreement in accordance with Section 17. Developer, CITI and Investor Limited Partner shall each have the opportunity to cure any default of the Grantee within the time frame allotted to the Grantee under this Agreement.

Section 16. Waiver. There shall be no waiver of any right related to this Agreement unless in writing and signed by the party waiving such right. No delay or failure to exercise a right under this Agreement shall impair such right or shall be construed to be a waiver thereof. Any waiver shall be limited to the particular right so waived and shall not be deemed a waiver of the same right at a later time or of any other right under this Agreement. Waiver by any party of any breach of any provision of this Agreement shall not be considered as or constitute a continuing waiver or a waiver of any other breach of the same or any other provision of this Agreement.

Section 17. Written Notices. Any notice, consent or other communication required to be given under this Agreement shall be in writing, and shall be considered given when delivered in person or sent by facsimile or electronic mail (provided that any notice sent by facsimile or electronic mail shall simultaneously be sent personal delivery, overnight courier or certified mail as provided herein), one business day after being sent by reputable overnight

carrier or 3 business days after being mailed by certified mail, return receipt requested, to the parties at the addresses set forth below (or at such other address as a party may specify by notice given pursuant to this Section to the other party):

The County:

County Executive Office
Miami-Dade County
111 N.W. 1st Street (29th Floor)
Miami, Florida 33133

Grantee:

Attention: Barry Haiman
Affordable Housing Solutions for Florida, Inc.
1108 Kane Concourse, Suite 307
Bay Harbor Islands, FL 33154

Copy to:

Broad and Cassel
390 North Orange Avenue
Orlando, FL 32801
Attn: David F. Leon, L.L.C.

Section 18. Captions. Captions as used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and shall not affect the meaning or interpretation of any provisions in this Agreement.

Section 19. Agreement Represents Total Agreement; Amendments. This Agreement, and its attachments, which are incorporated in this Agreement, incorporate and include all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained in this Agreement. The parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this Agreement, and that this Agreement contains the entire agreement between the parties as to all matters pertaining to the partial funding of the Metro South Senior Apartments Project by the County through the Total Funding Allocation and the construction of Metro South Senior Apartments Project by the Grantee. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that any oral representations or modifications concerning this Agreement shall be of no force or effect.

This Agreement may be modified, altered or amended only by a written amendment duly executed by the County and the Grantee or their authorized representatives.

Section 20. Litigation Costs/Venue. In the event that the Grantee or the County institutes any action or suit to enforce the provisions of this Agreement, the prevailing party in such litigation shall be entitled to reasonable costs and attorney's fees at the trial, appellate and post-judgment levels. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The County and the Grantee agree to submit to service of process and jurisdiction of the State of Florida for any controversy or claim arising out of or relating to this Agreement or a breach of this Agreement. Venue for any court action between the parties for any such controversy arising from or related to this Agreement shall be in the

Eleventh Judicial Circuit in and for Miami-Dade County, Florida, or in the United States District Court for the Southern District of Florida, in Miami-Dade County, Florida.

Section 21. Representations of the Grantee. The Grantee represents that this Agreement has been duly authorized by the governing body of the Grantee and that the governing body has granted Barry Haiman and Thea Nicole Cheshire (collectively, the "Authorized Officer"), the required power and authority to execute this Agreement on behalf of Grantee. The Grantee represents that it is a validly existing not-for-profit corporation in good standing under the laws of the State of Florida.

Once this Agreement is properly and legally executed by its Authorized Officer, the governing body of the Grantee agrees to a) comply with the terms of this Agreement; b) comply with the terms of the Developer's Restrictive Covenant, c) comply with all applicable laws, including, without limitation, the County's policy against discrimination; d) comply with the Administrative Rules; and e) submit all written documentation required by the Administrative Rules and this Agreement to the County Mayor .

Section 22. Representation of the County. The County represents that this Agreement has been duly approved by the Board, as the governing body of the County, and the Board has granted the County Mayor the required power and authority to execute this Agreement. The County agrees to provide the Total Funding Allocation to the Grantee for the purpose of developing and improving the Metro South Senior Apartments Project in accordance with terms of this Agreement, including its incorporated Attachments and Exhibits. The County shall only disburse the Total Funding Allocation if the Grantee is not in breach of this Agreement. Any and all reimbursement obligations of the County shall be fully subject to and contingent upon the availability of the Total Funding Allocation within the time periods set forth in this Agreement.

Section 23. Invalidity of Provisions, Severability. Wherever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, provided that the material purposes of this Agreement can be determined and effectuated.

Section 24. Insurance. The vendor must maintain and shall furnish, upon request, to the County Mayor, certificate(s) of insurance indicating that insurance has been obtained which meets the requirements as outlined below:

- A. Worker's Compensation Insurance for all employees of the vendor as required Section 440 of the Florida Statutes.
- B. Public Liability Insurance on a comprehensive basis in an amount not less than \$300,000 combined single limit per occurrence for bodily injury and property

damage. **Miami-Dade County must be shown as an additional insured with respect to this coverage.**

All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications:

The company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength, by the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the County's General Services Administration Risk Management Division.

or

The company must hold a valid Florida Certificate of Authority as shown in the latest "List of All Insurance Companies Authorized or Approved to Do Business in Florida" issued by the State of Florida Department of Insurance and are members of the Florida Guaranty Fund.

Modification or waiver of any of the insurance requirements identified in this Section 24 is subject to the approval of the County's Internal Services Department Risk Management Division. The Grantee shall notify the County of any intended changes in insurance coverage, including any renewals of existing policies.

Section 25. Special Conditions. The Total Funding Allocation is awarded to the Grantee with the understanding that the Grantee is performing a public purpose by providing affordable multi-family rental units through the development of the Metro South Senior Apartments Project. Use of the Total Funding Allocation for any purpose other than for the Metro South Senior Apartments Project will be considered a material breach of the terms of this Agreement and will allow Miami-Dade County to seek remedies including, but not limited to, those outlined in Section 15 of this Agreement.

Section 26. Miami-Dade County's Rights As Sovereign. Notwithstanding any provision of this Development and Grant Agreement,

- (a) Miami-Dade County retains all of its sovereign prerogatives and rights as a county under Florida laws (other than its contractual duties under this Agreement) and shall not be estopped by virtue of this Agreement from withholding or refusing to issue any zoning approvals and/or building permits; from exercising its planning or regulatory duties and authority; and from requiring the Metro South Senior Apartments Project to comply with all development requirements under present or future laws and ordinances applicable to its design, construction and development; and
- (b) Miami-Dade County shall not by virtue of this Agreement be obligated to grant the Grantee or the Metro South Senior Apartments Project or any portion of it, any approvals of applications for building, zoning, planning or development under

present or future laws and ordinances applicable to the design, construction and development of the Metro South Senior Apartments Project.

WITNESS WHEREOF, the parties have executed this Agreement as of the date written above:

ATTEST:

MIAMI-DADE COUNTY, FLORIDA

By: _____
Deputy Clerk

By: _____
Miami-Dade County Mayor

Approved by County Attorney as
to form and legal sufficiency.

By: _____

(SEAL)
FLORIDA, INC.

Attest:

By: _____

AFFORDABLE HOUSING SOLUTIONS FOR

By _____

Exhibit 1

Rental Regulatory Agreement

Exhibit 2

Budget

Metro South Senior Apartments Last Update
 City of South Miami, Dade County, Florida

25-Oct-13

TOTAL # UNITS: 91
 AVERAGE SF: 863

Description	Cost	Eligible Basis	Cost Per	
			Unit	Square Foot
Acquisition Cost				
*Land Acquisition	4,500,000	0	49,451	57.28
Building	0	0	0	0.00
Interest Carry	695,000	0	7,637	8.85
Subtotal-Acquisition Cost	5,195,000	0	57,088	66.13
Construction Cost				
Hard Cost	16,413,105	16,413,105	180,364	208.93
Site Improvements	671,075	571,075	7,374	8.54
General Conditions	1,025,051	1,025,051	11,264	13.05
Contractor Profit	1,025,051	1,025,051	11,264	13.05
Contractor Overhead	341,684	341,684	3,755	4.35
Contingency	973,798	973,798	10,701	12.40
Subtotal-Construction	20,449,763	20,349,763	224,723	260.32
Soft Cost				
A&E	1,289,405	1,289,405	14,169	16.41
Approvals Fees	1,303,521	1,303,521	14,324	16.59
Marketing/FF&E	348,866	306,000	3,834	4.44
Taxes During Construction	15,000	15,000	165	0.19
Insurance	12,000	12,000	132	0.15
Legal & Accounting	1,226,176	785,059	13,474	15.61
Tax Credit Fees	385,156	0	4,232	4.90
Appraisal, Market Study & Reports	30,300	30,300	333	0.39
Soft Cost Contingency	100,255	100,255	1,102	1.28
Operating/Rent Up and Debt Serv.Res.	426,819	0	4,690	5.43
Subtotal-Soft Cost	5,137,498	3,841,540	56,456	65.40
Financial & Closing Costs				
Closing Fees and Expenses	246,943	235,493	2,714	3.14
Interest During Construction	740,974	472,485	8,143	9.43
Predevelopment Loan Int.	217,094	217,094	2,386	2.76
Developer (Fixed) Fees & Expenses	30,000	0	330	0.38
Title & Recording	126,993	97,180	1,396	1.62
Subtotal-Financial & Closing	1,362,004	1,022,252	14,967	17.34
Overhead & Profit				
Paid Portion	2,905,852	2,905,852	31,932	36.99
Deferred Portion	654,050	654,050	7,187	8.33
Subtotal-Overhead & Profit	3,559,902	3,559,902	39,120	45.32
Totals				
Acquisition	5,195,000	0	57,088	66.13
Construction	20,449,763	20,349,763	224,723	260.32
Soft Cost	5,137,498	3,841,540	56,456	65.40
Financial & Closing	1,362,004	1,022,252	14,967	17.34
Overhead & Profit	3,559,902	3,559,902	39,120	45.32
Total	35,704,167	28,773,458	392,353	454.50

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Attachment 1
Administrative Rules

Exhibit C
Rental Regulatory Agreement

This instrument Was Prepared By:

Record and Return to:
Miami-Dade County
Public Housing and Community Development
701 NW 1st Court, 16th Floor
Miami, Florida 33136
Attention: Director

MIAMI-DADE COUNTY
RENTAL REGULATORY AGREEMENT

This Rental Regulatory Agreement (the "Agreement"), by and between Miami-Dade County, a political subdivision of the State of Florida (the "County" or "Miami-Dade County"), through its Board of County Commissioners (the "Board"), Affordable Housing Solutions for Florida, Inc. ("Grantee"), a Florida not-for-profit corporation with offices at 1108 Kane Concourse, Suite 307, Bay Harbor Islands, Fl. and Metro South Senior Apartments Limited Partnership ("Owner"), a Florida limited partnership company, with offices at 2206 Jo An Drive, Sarasota, Fl., is entered into this ____ day of _____, 2014.

WHEREAS, pursuant to Resolution No. R-1017-13 adopted on December 3, 2013, as amended by Resolution No. R- -14 adopted on _____, 2014 ("Allocation Resolution"), by the Board of County Commissioners for Miami-Dade County, Florida ("Board") approved a District 7 Grant/Allocation of \$1,000,000 ("Grant") from Project No. 249 – "Preservation of Affordable Housing Units and Expansion of Home Ownership" of the Building Better Communities General Obligation Bond Program ("BBC GOB Program") to the Grantee for the construction of ninety-one (91) affordable rental apartment units known as the Metro South Senior Apartments Project (the "Metro South Senior Apartments Project" or "Project") on real property located at 6101 Sunset Drive, South Miami, Florida; and

WHEREAS, in connection with receipt of the Grant, the Grantee agrees to lease the Units to Eligible Tenants (defined below) and to maintain rents at certain prescribed rates, as set forth in this Agreement; and

NOW, THEREFORE, for and in consideration of Ten dollars (\$10.00), the promises and covenants contained in this Rental Regulatory Agreement (the "Agreement") and for other good and valuable consideration received and acknowledged, the Grantee, the Owner and the County through its Public Housing and Community Development (PHCD) and any successor agencies or departments of PHCD, agree as follows:

PROPERTY ADDRESS: 6101 Sunset Drive, South Miami, Miami-Dade County, Florida

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LEGAL DESCRIPTION OF PROPERTY: The Legal Description of the Property is attached as Exhibit A.

NAME OF PROJECT: The Metro South Senior Apartments Project

DWELLING UNITS

- a) Fifteen Efficiencies/1 bath units consisting of 554 square feet of living space;
- b) Fifty-seven 1 bedroom/1 bath units consisting of 582 square feet of living space;
- c) Nineteen 2 bedroom/1 bath units consisting of 883 square feet of living space; (collectively, "Units.")

ELIGIBLE TENANTS: Elderly persons or elderly families with total annual household income that does not exceed 60% of the area median income for Miami-Dade County adjusted for family size ("AMI") established by the Department of Housing and Urban Development ("HUD")

WITNESSETH:

I. Grantee and the Owner agree with respect to the Property for the period beginning on the date of recordation of this Rental Regulatory Agreement, and ending on the last day of the thirtieth (30th) year after the year in which the Project is completed and a certificate of occupancy is issued that:

a) All of the Units shall be leased to Eligible Tenants as follows: eight (8) one bedroom/one bath units and two (2) two bedroom/one bath units will be set aside for Eligible Tenants with annual income equal to or less than 28% of AMI; three (3) efficiency units and one (1) one bedroom/one bath unit will be set aside for Eligible Tenants with annual income equal to or less than 30% of AMI; and twelve (12) efficiency units, forty-eight (48) one bedroom/one bath units and seventeen (17) two bedroom/one bath units will be set aside for Eligible Tenants with annual income equal to 60% of AMI.

b) The parties agree that once recorded, this Agreement shall be a restrictive covenant on the Project that shall run with the Property since the subject matter of this Agreement and its covenants touch and concern the Property. This Agreement shall be binding on the Property, the Project, and all portions of each, and upon any purchaser, transferee, Grantee, Owner or lessee or any combination of each, and on their heirs, executors, administrators, devisees, successors and assigns and on any other person or entity having any right, title or interest in the Property, the Project, or any portion of each, for the length of time that this Agreement shall be in force. Grantee and Owner hereby make and declare these restrictive covenants which shall run with the title to said Property and be binding on the Grantee and the Owner and their successors in interest, if any, for the period stated in the preamble above, without regard to payment or satisfaction of any debt owed by Grantee and/ Owner to the County or the

expiration of any agreement between the Grantee and/or Owner and the County regarding the Property, Project or both.

- c) The Units shall be new construction in a seven s story U-Shaped building. The Development will feature a Multipurpose, Library, Trash, Electrical and Laundry Rooms, and Offices.
- d) Grantee and Owner agree that upon any violation of the provisions of this Agreement, the County, through its agent, PHCD, may give written notice to the Grantee and Owner, by registered mail, at the address stated in this Agreement, or such other address or addresses as may subsequently be designated by the Grantee and Owner in writing to PHCD, and in the event Grantee or Owner does not cure such default (or take measures reasonably satisfactory to PHCD to cure such default), within thirty (30) days after the date of notice, or within such further time as PHCD may determine is necessary for correction, PHCD may, without further notice, declare a default under this Agreement, and effective upon the date of such default, PHCD may:
 - i) Declare the whole County Grant immediately due and payable and then proceed with legal proceedings to collect the County Grant;
 - ii) Apply to any court, County, State or Federal, for any specific performance of this Agreement; for an injunction against the violation of this Agreement; or for such relief as may be appropriate since the injury to PHCD arising from a default remaining uncured under any of the terms of this Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

County shall give CitiBank, N.A. ("CITI"), as lender to Owner, and Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation (the "Wells Fargo"), as investor limited partner of the Owner, written notice of any default by Grantee and/or Owner under the terms of this Agreement in accordance with Section VIII. CITI and Investor Limited Partner shall each have the opportunity to cure any default of the Grantee and/or Owner within the time frame allotted to the Grantee and Owner under this Agreement. Notwithstanding the foregoing, upon the repayment of the Grant in full pursuant to d)i) above, this Agreement shall automatically be terminated and shall have no further effect.

- e) Grantee and Owner further agree that they will, during the term of this Agreement: furnish each resident at the time of initial occupancy, a written notice that the rents to be charged for the purposes and services included in the rents are approved by the County pursuant to this Agreement; that they will maintain a file copy of such notice with a signed acknowledgment of receipt by each resident; and, that such notices will be made available for inspection by the County during regular business hours.

f) Grantee and Owner agree that the Units shall meet the energy efficiency standards promulgated by the Secretary of HUD, the Florida Housing Finance Corporation (hereafter "FHFC"), and/or Miami-Dade County, as applicable.

II. PHCD and Grantee agree that rents may increase as the AMI increases as published by HUD with the prior approval of PHCD, provided that at no time shall the management fee and expenses attributed to the managing of the Project exceed six percent (6%) of the monthly gross receipts. Any other adjustments to rents will be made only if PHCD (and HUD if applicable), in its sole but reasonable discretion, find any adjustments necessary to support the continued financial viability of the Project and only by an amount that PHCD (and HUD if applicable) determine is necessary to maintain continued financial viability of the Project. The Project shall be managed by the Grantee, Owner or a property management company (the "Management Company") on behalf of the Grantee or Owner. The Grantee or Owner shall notify and obtain the prior approval of PHCD, which approval shall not be unreasonably withheld, each time it plans to replace the Management Company.

Owner will provide documentation to justify a rental increase request not attributable to increases in median income but attributable to an increase in operating expenses of the Project, excluding the management fee attributed to the Grantee for managing the Project. Within thirty (30) days of receipt of such documentation, PHCD will reasonably approve or deny, as the case may be, in its sole but reasonable discretion, all or a portion of the rental increase in excess of the amount that is directly proportional to the most recent increase in Median Annual Income. In no event, however, will any increase attributable solely to an increase in Median Annual Income be denied.

III. Except as otherwise noted, all parties expressly acknowledge that PHCD shall perform all actions required to be taken by Miami-Dade County pursuant to Paragraphs IV, V, VI and VII of this Agreement for the purpose of monitoring and implementing all the actions required under this Agreement. In addition, thirty (30) days prior to the effective date of any rental increase, the Grantee shall furnish PHCD with notification provided to tenants advising them of the increase.

IV. Occupancy Reports

The Owner shall, on an annual basis, furnish PHCD with an occupancy report, which provides the following information:

A) List of all occupied apartments, indicating composition of each resident family, as of the end date of the reporting period. Composition includes (if legally obtainable and available), but is not limited to:

1. Number of residents per Units.
2. Area median Income (AMI) per Unit.
3. Race, Ethnicity and age per Unit (Head of Household).
4. Number of Units serving special need clients.

5. Gross Household Rent.
 6. Maximum rent per Unit.
 7. The number of Units leased to Eligible Tenants with total annual household income that does not exceed sixty percent (60%) of AMI
- B) A list of all vacant apartments, as of the end date of the reporting period.
 - C) The total number of vacancies that occurred during the reporting period.
 - D) The total number of Units that were re-rented during the reporting period, stating family size and income.
 - E) The Owner shall upon written request of PHCD allow representatives of PHCD to review and copy any and all of its executed leases with tenant residing on the Property.

V. Inspections

Pursuant to 42 U.S.C. § 12755, the Grantee shall maintain the Property in compliance with all applicable federal housing quality standards, receipt of which is acknowledged by the Grantee, and contained in Sec. 17-1, et seq., Code of Miami-Dade County, pertaining to minimum housing standards (collectively, "Housing Standards").

- A) PHCD shall annually inspect the Property, including a representative sampling of dwelling Units and all common areas, to determine if the Property is being maintained in compliance with Federal Housing Quality Standards (HQS) and any applicable Miami-Dade County Minimum Housing Codes. The Grantee will be furnished a copy of the results of the inspection within thirty (30) days, and will be given thirty (30) days from receipt to correct any deficiencies or violations of the property standards of the Miami-Dade County Minimum Housing Codes or Housing Standards, provided, however, if such correction can't be completed within thirty (30) days, then a reasonable period with the prior approval of PHCD. PHCD fees for the annual compliance inspection will total \$1,035 the first year increased annually by three (3%) each year.
- B) At other times, at the request of the Grantee or of any tenant, PHCD may inspect any Unit for violations to the property standards of any applicable Miami-Dade County Minimum Housing Codes or Housing Standards. The tenant and the Grantee will be provided with the results of the inspection and the time and method of compliance and corrective action that must be taken. The dwelling units shall contain at least one bedroom of appropriate size for each two persons.

VI. Lease Agreement, Selection Policy and Management Plan

Prior to initial rent-up and occupancy, the Owner will submit the following documents to PHCD:

- A) Proposed form of resident application.
- B) Proposed form of occupancy agreement.
- C) Applicant screening and tenant selection policies.
- D) Maintenance and management plan which shall include the following

information:

1. A schedule for the performance of routine maintenance such as up-keep of common areas, extermination services, etc.
2. A schedule for the performance of non-routine maintenance such as painting and reconditioning of dwelling Units, painting of building exteriors, etc.
3. A list of equipment to be provided in each dwelling Unit.
4. A proposed schedule for replacement of dwelling equipment.
5. A list of tenant services, if any, to be provided to residents.

The Owner agrees that the County has the right to refer eligible applicants for housing. The Owner shall not deny housing opportunities to eligible, qualified families, including those with Section 8 Housing Choice Vouchers, unless the Grantee is able to demonstrate a good cause basis for denying the housing as determined by PHCD in its sole but reasonable discretion. It is understood that the Owner may conduct reasonable background searches including criminal checks which may be relied upon in determining whether a prospective tenant will be accepted by Owner.

VII. Financial Reports

- A) Annually, the Owner shall transmit to the County, upon written request, a certified annual operating statement showing project income, expenses, assets, liabilities, contracts, mortgage payments and deposits to any required reserve accounts (the "Operating Statement"). PHCD shall review the Operating statement to insure conformance with all provisions contained in this Agreement.
- B) The Owner will create and maintain a reserve account for the maintenance of the Units and will deposit \$300 per Unit per year in such reserve account. This reserve may be combined with reserve accounts required by any other parties making loans to Grantee and/Owner and will be deemed satisfied by any deposits made by Grantee/Owner in accordance with Grant documents.

VIII. Action By or Notice to the County

Unless specifically provided otherwise herein, any action to be taken by, approvals made by, or notices to or received by the County required by this Agreement shall be taken, made by, given or delivered to:

Miami-Dade County
Public Housing and Community Development
701 NW 1st Court, 16th Floor
Miami, FL 33136
Attention: Director

Copy to:

Miami-Dade County Attorney's Office
111 N.W. 1 Street
Suite 2810
Miami, Florida 33128

or any of their successor agencies or departments.

All notices to the Grantee shall be simultaneously delivered at the following address:

Barry Haiman Manager
Affordable Housing Solutions for Florida, Inc.
1108 Kane Concourse, Suite 307 Bay Harbor, Florida 33154

All notices to the Owner shall be simultaneously delivered at the following address:

Donald W. Paxton
Manager of General Partner
Metro South Senior Apartments Limited Partnership, Ltd.
2206 Jo An Drive
Sarasota, Florida 34231

With a copy to:

Broad and Cassel
390 n. Orange Avenue, Suite 1400
Orlando, Fl. 32801
Attn. David R. Leon, L.L.C.

All notices to Citi shall be simultaneously delivered at the following address:

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attn: Desk-Head, Transaction Management Group

Copy to:

All notices to Wells Fargo shall be simultaneously delivered at the following address:

Wells Fargo Affordable Housing Community Development Corporation
MACD1053-170
3015 College Street
Charlotte, North Carolina 28255
Attn. Director of Tax Credit Asset Management

Copy to:

Philip Spahn
Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603

IX. Recourse:

In the event of a default by the Grantee or Owner under this Agreement, the County shall have all remedies available to it at law and equity.

IN WITNESS WHEREOF, Miami-Dade County, Grantee and Owner have caused this Agreement to be executed on the date first above written.

GRANTEE:

Affordable Housing Solutions for Florida, Inc.

By: _____

Print Name: _____

Title: _____

STATE OF FLORIDA)

COUNTY OF MIAMI-DADE)

The foregoing Rental Regulatory Agreement was sworn to, subscribed and acknowledged before me this ____ day of _____, 2014, by _____, the _____ of Affordable Housing Solutions for Florida, Inc. on behalf of the corporation. He/She is personally known to me _____ or has produced identification _____.

My commission expires:

Notary Public
State of Florida at Large

MIAMI-DADE COUNTY, FLORIDA

By: _____

STATE OF FLORIDA)

COUNTY OF MIAMI-DADE)

The foregoing Rental Regulatory Agreement was sworn to, subscribed and acknowledged before me this ____ day of _____, 2014, by _____ on behalf of Miami-Dade County. He/She is personally known to me _____ or has produced identification _____.

My commission expires: _____

Notary Public
State of Florida at Large

Approved by County Attorney as
To form and legal sufficiency

By: _____

ATTEST:
HARVEY RUVIN, CLERK
BY: _____
Deputy Clerk

OWNER:
Metro South Senior Apartments Limited
Partnership
By: Beneficial Metro South Senior LLC, its
general partner

By: _____
Donald W. Paxton
Manager

STATE OF FLORIDA)

COUNTY OF SARASOTA)

The foregoing Rental Regulatory Agreement was sworn to, subscribed and acknowledged before me this ____ day of _____, 2014, by Donald W. Paxton, as

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manager of Beneficial Metro South Senior LLC, general partner of Metro South Senior Apartments Limited Partnership, on behalf of the partnership . He/She is personally known to me _____ or has produced identification _____.

My commission expires:

Notary Public
State of Florida at Large

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

INITIAL RENT

STABILIZED PROFORMA
City of South Miami, Dade County, Florida

Updated 25-Oct-13

RENT SCHEDULE/INCOME & EXPENSE SUMMARY

% AMI	# UNITS	DESCRIPTION		APRX SQ FT	RENT				
		TYPE			MAX GROSS RENTS	UTIL ALLOW	Rent Adj.	MAX NET RENTS	ANNUAL INCOME
60.00%	1	Eff	1	554	687	(66)	0	621	7,452
60.00%	3	Eff	1	554	687	(66)	0	621	22,358
28.00%	11	Eff	1	554	320	(66)	0	254	33,528
60.00%	52		1	582	736	(70)	0	666	415,584
60.00%	6		1	582	736	(70)	0	666	39,960
28.00%	0		1	582	343	(70)	0	273	0
60.00%	19		2	967	883	(83)	0	800	182,400
60.00%	0		2	967	883	(83)	0	800	0
28.00%	0		2	967	412	(83)	0	329	0
COMM. AREA	0.0%			18,700					
	91		Mkt	-					
			Restricted	78,557					
			Total Res. Space	78,557					
Potential Gross Income Res.									701,280
Potential Gross Income Comm.									
Other Income									
								1,700	
								2,212	
								1,422	
								2,376	
								0	
								12,354	
								1	
									20,065
Adjustments to Income:									
				5.00%					(35,064)
				0.00%					0
					Per Unit				
					7,642				686,281
Operating Expenses:									
					615				56,000
					1,358				123,599
					599				54,611
					-				-
					505				45,998
					70				6,398
					-				-
					-				-
					940				85,571
					934				85,000
				5.00%	377				34,314
					300				27,300
					5,700				618,681
					\$1,842				\$187,600