
Florida Housing Finance Corporation

Credit Underwriting Report

Grande Oaks Apartments

2005-094S

Section A: Report Summary

Section B: SAIL Program Special and General Conditions

Section C: Supporting Information and Schedules

Prepared by

AmeriNational Community Services, Inc.

Final Report

March 31, 2006

Grande Oaks Apartments

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Section A
Report Summary

Recommendation

AmeriNational recommends a supplemental State Apartment Incentive Loan ("SAIL") Program loan of \$1,000,000 for a total of \$3,000,000 be awarded to the Applicant for the permanent financing of this development.

DEVELOPMENT & SET-ASIDES																							
Location	2604 East Hanna Avenue, Tampa, Hillsborough County, Florida 33610																						
Number of Units/Unit Mix	<table border="1"> <thead> <tr> <th>Bed-rooms</th> <th>Baths</th> <th>No. of Units</th> <th>Unit Size (SF)</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>2</td> <td>72</td> <td>940</td> </tr> <tr> <td>3</td> <td>2</td> <td>68</td> <td>1,150</td> </tr> <tr> <td>4</td> <td>2</td> <td>28</td> <td>1,300</td> </tr> <tr> <td>Total</td> <td></td> <td>168</td> <td>182,280</td> </tr> </tbody> </table>			Bed-rooms	Baths	No. of Units	Unit Size (SF)	2	2	72	940	3	2	68	1,150	4	2	28	1,300	Total		168	182,280
Bed-rooms	Baths	No. of Units	Unit Size (SF)																				
2	2	72	940																				
3	2	68	1,150																				
4	2	28	1,300																				
Total		168	182,280																				
Demographic Commitment	Family - Development will serve the general population.																						
Set Asides	100% at 60% of AMI (SAIL)																						
Set Aside Term	50 Years																						
County Size	Large																						
Development Type	New Construction																						
Occupancy Rate	As of February 28, 2006, the development is 98.2% occupied.																						
Parking	303 spaces including 8 handicap parking spaces																						
Improvements	A "garden" style apartment complex consisting of 11 three-story residential buildings and a single story clubhouse/leasing center. Construction is wood frame with slab on grade foundations.																						
Site Acre	12.7 acres per Survey																						
Density	13.22 units per acre																						
Zoning	RM-24, Commercial Intensive; Variance Granted for 168 units																						
Flood Zone Designation	Flood Zone "C". Flood Insurance is not required																						
DEVELOPMENT TEAM																							
Applicant/Borrower	Grande Oaks, LLC																						
General Partner	TRG GP LLC (.01% Interest)																						
Limited Partner/Syndicator	Richman U.S.A. Tax Credit XXXVIII LLC, as general partner of U.S.A. Institutional Tax Credit Fund XXXVIII L.P.																						
Guarantors	Grande Oaks, LLC, TRG GP LLC, The Richman Group Development Corporation and Richard P. Richman, Individually																						
Developer	The Richman Group of Florida, Inc.																						
General Contractor	First Florida Building Corporation																						
Management Company	WRMC, Inc.																						
1 st Mortgage Lender	Housing Finance Agency of Hillsborough County, Florida																						
Credit Enhancer on 1 st Mortgage – Const.	SunTrust Bank																						
Credit Enhancer on 1 st Mortgage – Perm.	Fannie Mae; with GMAC Commercial Mortgage																						

	("GMACCM") as DUS Lender
FINANCING INFORMATION	
FHFC Programs	SAIL Program Loan 2004-009S & 2005-094S
1 st Loan Amount – County MMRB	\$7,300,000
“All in” Underwritten Interest Rate	6.46%
Term/Amortization	32.5/30
2 nd Loan Amount Fannie Mae DUS/GMAC	\$830,000
Underwritten Interest Rate	6.045%
Term/Amortization	32.5/30
3 rd Loan Amount - SHIP	\$800,000
Underwritten Interest Rate	0%
Term/Amortization	32.5/0
4 th Loan Amount – SAIL Loan	\$3,000,000
Underwritten Interest Rate	3.33%
Term/Amortization	32.75/0
Favorable Rent-Restricted Stabilized Value	\$14,045,000
Market Rent Value	\$12,510,000
Restricted Loan To Value – All Loans Combined	84.94%
Market Loan To Value - All Loans Combined	95.36%
Projected Net Operating Income	\$782,565
Debt Service Coverage – 1 st Mortgage	1.419
Debt Service Coverage – 1 st & 2 nd Mortgages Combined	1.280
Debt Service Coverage – 1 st , 2 nd & 3 rd Mortgages Combined	1.280
Debt Service Coverage - All debt	1.100
FHFC SAIL Loan to Cost	19.23%
FHFC Assistance Per Unit	\$17,857
Syndication Price	\$0.83

Construction/Permanent Sources:

<u>Source</u>	<u>Lender</u>	<u>Construction</u>	<u>Permanent</u>	<u>Perm Loan/Unit</u>
First Mtg. Tax-Exempt Bonds	HFAHC	\$7,300,000	\$7,300,000	\$43,452
First Mtg-Taxable Bonds	HFAHC	\$830,000	\$0	\$0
2nd Mtg. - DUS	GMAC	\$0	\$830,000	\$4,940
3rd Mtg. - SHIP	City of Tampa	\$800,000	\$800,000	\$4,762
4th Mtg. - SAIL 2004-009S & 2005-094S	FHFC	\$2,000,000	\$3,000,000	\$17,857
Housing Credit Equity	TRG Cap	\$2,523,426	\$3,634,414	\$21,633
Impact Fee Relief Grant	Hills. Co.	\$100,000	\$0	\$0
Interest Income	TRG	\$40,815	\$0	\$0
Deferred Developer Fee	TRG	\$2,008,686	\$38,513	\$229
TOTAL		\$15,602,927	\$15,602,927	\$92,875

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	x	
Are all funding sources the same as shown in the Application?	x	
Are all local government recommendations/contributions still in place at the level described in the Application?	x	
Is the Development feasible with all amenities/features listed in the Application?	x	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	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?		(1)
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	(2)

(Revised 8/14/03)

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

1. Total development costs have increased \$852,316 from the Application; which is primarily attributed to increased construction and financial costs, and developer fee.
2. The Applicant included an incorrect unit mix at the time of Application. The unit mix changed from 80 one bedrooms to 72; and 60 two bedrooms to 68. The three-bedrooms remain unchanged.
2. Ownership interest in TRG GP, LLC, the General Partner and managing member, has changed since the Application. The modification to TRG GP, LLC is as follows: Richard P. Richman – 32.3%; The Richman Family Irrevocable Grantor Trust I – 17.8%; The Richman Family Irrevocable Grantor Trust II – 14.9%; Kristin Miller – 17.0%; David Salzman – 10.0%; and William T. Fabbri – 8.0%. The ownership change to the General Partner was less than 33.33% and permitted by

program rule requirement. Majority interest remains with Richard P. Richman, who has the financial resources and stability to act as Guarantor.

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

According to the March 17, 2006 FHFC Noncompliance Report, no non-compliance issues exist for The Richman Group.

According to the March 21, 2006 FHFC Past Due Report, The Richman Group has the following past due item(s):

- Spring Haven; Failure to submit 2005 FYE Operating Expenses, 2004 FYE Capital Expenditures, and a 2005 Certified Rent Roll.

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

Strengths:

1. The principals and development team, as well as the general contractor, and management group are highly experienced in this field. TRG of FL possesses significant experience in luxury and affordable housing development, including seniors' properties and has developed approximately 8,500 units within the Northeast, Midwest, Mid-Atlantic, California, and Florida. TRG of FL has developed 18 properties and 3,323 units in the State of Florida. The Richman Group, Inc. ("TRG") and its affiliates is one of the top twenty apartment owners in the United States with approximately 50,000 units and 75,000 tenants among over 700 properties
2. The principals of the Applicant as well as the Limited Partner/Syndicator have sufficient experience and substantial financial resources to develop, construct, and operate the development.
3. As of February 28, 2006, the development is 98.2% occupied.

Other Considerations:

None

Mitigating Factors:

None

Waiver Requests/Special Conditions:

1. On December 9, 2005, the Applicant was granted its petition for a waiver of Rule 67-48.010(4), F.A.C. to allow the bifurcation of the first mortgage into first and second mortgages and to subordinate the lien and priority payment of the SAIL loan to the first, second, and third mortgages conditioned upon the total amount of the debt ahead of the SAIL loan remains unchanged, resulting in the SAIL loan in fourth mortgage position.

Additional Information:

None

Issues and Concerns:

None

Recommendation:

1. AmeriNational recommends that a supplemental SAIL Program loan allocation of \$1,000,000 for a total SAIL loan of \$3,000,000 be awarded to the Applicant for the permanent financing of this development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A), and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the SAIL Program Loan Special and General Conditions (Section B). This recommendation is valid for only six months from the date of this report. The reader is cautioned to refer to these sections for complete information.

Prepared by:



Michael Drapkin, Jr.
Senior Credit Underwriter

Reviewed by:



Michael Fishkin
Credit Underwriter

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Construction Debt Service*
First Mtg. Tax-Exempt Bonds	HFAHC	\$7,300,000	\$7,300,000	\$7,300,000	4.33%	\$316,090
First Mtg. - Taxable Bonds	HFAHC	\$830,000	\$830,000	\$830,000	4.33%	\$35,939
2nd Mortgage-SHIP	City of Tampa	\$0	\$800,000	\$800,000	0.00%	\$0
3rd Mortgage - SAIL 2004-009S & 2005-094S	FHFC	\$3,000,000	\$3,000,000	\$2,000,000	3.33%	\$66,600
Housing Credit Equity	TRG Cap	\$2,523,426	\$2,523,426	\$2,523,426		
Impact Fee Relief Grant	Hills. Co.	\$0	\$100,000	\$100,000		
Interest Income	TRG	\$0	\$40,815	\$40,815		
Deferred Developer Fee	TRG	\$1,097,185	\$983,013	\$2,008,686		
Total		\$14,750,611	\$15,577,254	\$15,602,927		\$418,629

Proposed First Mortgage Loan Structure:

The first mortgage loan consists of \$7,300,000 tax exempt bonds with \$830,000 taxable bonds and Fannie Mae, the permanent first mortgage lender, allows for a maximum construction term of up to a 36-month (includes renewal options). During the construction and lease-up period, interim credit enhancement was provided by SunTrust Bank ("SunTrust"), issued through a mortgage-secured, irrevocable, transferable, stand-by Letter of Credit ("LOC"). The term of this LOC is 30 months with an annual fee of 1.00%, payable monthly, based upon the outstanding Letter of Credit Amount. Note that for underwriting purposes, the interest rate during construction was equal to an average base rate of 3.00% (includes a 0.50% basis point spread), plus the construction lender's annual fee of 1.00%, the Issuer's fee of 0.20%, Issuer Servicer fee of 0.078% and the trustee's fee of 0.055% for a total "all in" rate of 4.33% based on a total construction/stabilization period of approximately 24 months, with stabilization occurring approximately 1 year after construction completion (13 months), which falls within the lender(s) maximum construction/lease-up period. The development is 100% complete.

Proposed SAIL Program Structure:

Florida Housing has approved and closed the allocation of a \$2,000,000 SAIL Program loan for the construction and permanent financing of the development. The loan closed on June 24, 2005. It is non-amortizing and bears a 3% simple interest per annum plus applicable fees. Annual payments of all applicable fess are required.

The Applicant applied to Florida Housing for a \$1,000,000 supplemental SAIL loan for a total of \$3,000,000 in SAIL funds to finance this development. The development is 100% complete; therefore, supplemental SAIL funds will not be used during the construction phase.

Other Sources of Funds:

Additional Sources of Funds for this development during construction include a SHIP Loan, HC Equity, Impact Fee Relief Grant, Interest Income, as well as Deferred Developer Fee.

Terms and conditions of the City of Tampa \$800,000 SHIP Loan include a zero percent interest rate and the principal deferred for the term of the first mortgage. In addition, Hillsborough County has granted \$100,000 for Impact Fee Relief.

In order to cover any remaining shortfalls in funding, and after receipt of all available Loan proceeds and HC Equity contributions, the Developer deferred fee of \$2,008,686 during construction.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amort. Years	Term Years	Annual Debt Service
First Mtg. Tax-Exempt Bonds	HFAHC	\$7,300,000	\$7,300,000	\$7,300,000	6.46%	30.00	32.50	\$551,389
2nd Mtg. - DUS	GMAC	\$830,000	\$830,000	\$830,000	6.045%	30.00	32.50	\$60,004
3rd Mtg. - SHIP	City of Tampa	\$0	\$800,000	\$800,000	0.00%	N/A	32.50	\$0
4th Mtg. - SAIL 2004 - 009S & 2005 - 094S	FHFC	\$3,000,000	\$3,000,000	\$3,000,000	3.33%	N/A	32.75	\$99,900
Housing Credit Equity	TRG Cap	\$3,555,105	\$3,634,414	\$3,634,414				
Deferred Developer Fee	TRG	\$65,506	\$12,840	\$38,513				
Total		\$14,750,611	\$15,577,254	\$15,602,927				\$711,293

Proposed First Mortgage Loan Structure:

The Applicant received a 2004 Multifamily Revenue Bond Program first mortgage loan consisting of \$7,300,000 in tax-exempt bonds and \$830,000 in taxable bonds, which closed February 20, 2004 and was issued by the Housing Finance Authority of Hillsborough County, Florida for the permanent financing of the subject development.

This allocation is credit enhanced during the permanent period via a Forward Commitment from the Federal National Mortgage Association ("Fannie Mae") with GMAC Commercial Mortgage, LLC ("GMACCM") as the proposed Fannie Mae DUS Lender. GMACCM provided a floating rate structure for the bonds. This credit enhancement allowed the bonds to achieve a "AAA" rating. For underwriting purposes, an "all in" rate of 6.460% was utilized; which was based upon GMACCM underwriting criteria, and in consideration of the all-in rates achieved by recent transactions with a similar Fannie Mae structure. Terms and conditions of the first mortgage loan include a maximum 32.5-year term, with a 30-year amortization period upon conversion.

Proposed Second Mortgage Loan Structure:

The Applicant retired the \$830,000 in taxable bonds to allow funding of a taxable, fixed rate Fannie Mae DUS mortgage loan of \$830,000 which is in second mortgage loan position behind the Fannie Mae Bond Credit Enhancement according to a Subordination Agreement dated January 13, 2006. The interest rate on the DUS loan is equal to 6.045% and the term and amortization periods are similar to the first mortgage loan; however, DUS loan will be 'hyper-amortized' and paid off in 88 months. During this time period, the tax-exempt bonds will be interest only payable and once the DUS loan is paid off, monthly payments will be required into the Principal Reserve Fund to pay down the tax-exempt bonds during the remaining 272 months of the loan term.

Proposed SAIL Program Structure:

Florida Housing has approved the allocation of a \$2,000,000 SAIL Program loan for the construction and permanent financing of the development. The loan closed on June 24, 2005. It is non-amortizing and bears a 3% simple interest per annum plus applicable fees. Annual payments of all applicable fees are required.

The Applicant applied to Florida Housing for a \$1,000,000 supplemental SAIL loan for a total of \$3,000,000 in SAIL funds to finance this development. AmeriNational recommends the SAIL loan be co-terminus as allowed by the rule and have a term of three months beyond the maturity date of the first mortgage, as required by Fannie Mae. It will be non-amortizing and will bear 3% simple interest per annum. Annual payments and applicable fees will be required. In addition, and to the extent that development cash flow is available; interest payment at a 3% rate will be required. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and unpaid interest will be due. This credit underwriting assumes interest payments at 3.33% (simple interest rate plus applicable fees). SAIL loan funds are to be utilized as an additional source, to cover expenses associated with construction costs and developer fee.

Additional Sources of Funds:

As noted, in addition to the proposed financing, the development is financed by syndication proceeds from the sale of housing credits ("HC"). According to an Amended and Restated Operating Agreement dated February 1, 2004, the 99.99% Limited Partnership interest was purchased by Richman U.S.A. Tax Credit XXXVIII LLC, as general partner of U.S.A. Institutional Tax Credit Fund XXXVIII L.P. at loan closing. A summary is as follows:

Capital Contributions	Amount	Percent of Total	Due at
1st Installment	\$1,565,194	43%	Later of (A) the Admission Date; (B) Investment partnership completion of due diligence; and (C) receipt of the legal opinions
2nd Installment	\$958,232	26%	During Construction
3rd Installment	\$543,287	15%	Five days after the later of the following to occur: Substantial Completion, Preliminary Cost Cert
4th Installment	\$567,701	16%	Later of: Breakeven, Calc of Final Reported Credit, payments of any amounts due to the Investment Partnership, 95% Occupancy, insurance coverage, conversion, 8609's,
Total	\$3,634,414	100%	

Annual Credit Per Syndication Agreement: \$425,286

Total Credit Per Syndication Agreement: \$4,252,860

Calculated HC Exchange Rate: \$0.83

Limited Partner Ownership Percentage: 99.99%

Proceeds During Construction: \$2,523,426

Terms and conditions of the City of Tampa \$800,000 SHIP Loan include a zero percent interest rate and the principal deferred for the term of the first mortgage. The current budget indicates that during the permanent stage, the developer will most likely be required to defer \$38,513 of total developer fee after all available syndication proceeds have been disbursed.

Uses of Funds

Actual Construction Cost	Applicant Total Costs	Applicant's Revised Total Costs	Underwriter Total Costs
Site Work	\$0	\$1,021,850	\$1,021,850
New Rental Units	\$8,145,263	\$8,113,214	\$6,972,646
Rehab of Existing Historic House	\$250,000	\$100,000	\$100,000
Other - Change Orders (1 thru 4)	\$0	\$0	\$1,140,568
General Contractor Fees (max 14%)	\$400,256	\$400,256	\$400,256
Subtotal	\$8,795,519	\$9,635,320	\$9,635,320
Other - Hard Cost Contingency	\$419,776	\$0	\$0
Total Actual Construction Cost	\$9,215,295	\$9,635,320	\$9,635,320

Notes to Actual Construction Costs:

1. AmeriNational received an executed lump sum contract dated November 25, 2003 in the amount of \$9,400,554 between Grande Oaks, LLC, and First Florida Building Corporation. The construction cost estimate was increased to cover change orders and additional site work costs as well as the additional costs for the rehab of the existing historic home to be used as a clubhouse/leasing center. The development achieved substantial completion on July 7, 2005 and is 100% complete. Since construction is complete, no hard cost contingency applies.
2. General Contractor Fees are within program rule requirements.
3. Consultech & Associates, Inc. ("Consultech") prepared a Pre-Construction Analysis ("PCA"), dated March 2, 2004, and updated January 31, 2005 to confirm the features and amenities committed to in the SAIL and HC Applications were constructed. The cost per square foot of \$44.83 (without contingency) appeared to be higher than the comparable data range but lower than the national average of \$57.92 per square foot, and lower than the RS Mean-2004 Edition (\$59.56/Sq. Ft.). The plans and specification were suitable for permitting and construction.

General Development Costs	Applicant Total Costs	Applicant's Revised Total Costs	Underwriter Total Costs
Accounting Fees	\$20,000	\$20,000	\$20,000
Architect's Fee - Design & Supervision	\$144,200	\$250,443	\$250,443
Borrowers Legal	\$260,978	\$66,740	\$66,740
Builder's Risk Insurance	\$55,650	\$73,376	\$73,376
Building Permits	\$53,560	\$78,272	\$78,272
Brokerage Fees	\$95,200	\$95,200	\$95,200
Engineering Fee	\$65,000	\$65,000	\$65,000
Environmental Report (Incl Soils Test)	\$42,838	\$42,838	\$42,838
FHFC Application Fee	\$2,000	\$2,000	\$2,000
FHFC HC Administrative Fee	\$33,289	\$33,289	\$33,289
FHFC HC Compliance Fee	\$82,572	\$82,572	\$82,572
FHFC Credit Underwriting Fee	\$10,230	\$10,230	\$10,694
HCHFA Credit Underwriting Fee	\$0	\$18,053	\$18,053
Impact Fees	\$137,254	\$137,254	\$137,254
Inspection Fees/Construction Admin.	\$15,000	\$15,000	\$15,000
Market Study	\$11,500	\$11,500	\$11,500
Marketing and Advertising	\$117,600	\$117,600	\$117,600
Property Taxes(during construction)	\$40,000	\$40,000	\$40,000
Survey	\$8,000	\$8,000	\$8,000
Title Insurance	\$45,774	\$45,774	\$45,774
Utility Connection Fees	\$33,248	\$33,248	\$33,248
Other - Equipment/Furniture	\$80,000	\$140,000	\$140,000
Other- Site Plan Approval	\$19,013	\$19,113	\$19,113
Other - Soft Cost Contingency	\$40,145	\$0	\$0
Total General Development Costs	\$1,413,051	\$1,405,502	\$1,405,966

Notes to the General Development Costs:

1. Architect's Fee – Design & Supervision represents increases incurred by the Applicant in view of change orders performed during construction completion.
2. The remaining General Development Costs are the Applicant's updated estimates, which appear reasonable.

Financial Costs	Applicant Total Costs	Applicant's Revised Total Costs	Underwriter Total Costs
Construction Loan Credit Enhancement	\$121,950	\$121,950	\$121,950
Construction Loan Interest	\$507,962	\$507,962	\$507,962
Construction Loan Origination Fee	\$41,131	\$99,631	\$99,631
Bond Cost of Issuance Fees	\$0	\$133,820	\$133,820
Permanent Loan Credit Enhancement	\$118,958	\$118,958	\$118,958
Permanent Loan Origination Fee	\$131,996	\$130,738	\$130,738
SAIL Commitment & Loan Closing Fees	\$0	\$38,708	\$60,000
Total Financial Costs	\$921,997	\$1,151,767	\$1,173,059

Notes to the Financial Costs:

1. The Applicant's financial costs appear reasonable to AmeriNational.
2. SAIL Commitment and loan closing fees represent \$36,708 previously paid plus a 1.0% commitment fee and an estimate of supplemental loan closing costs.

3. Since this is a new construction development, no non-land acquisition costs exist.

	Applicant Total Costs	Applicant's Revised Total Costs	Underwriter Total Costs
Development Cost Before Land and Developer Fee	\$11,550,343	\$12,192,589	\$12,214,345
Other Development Costs			
Developer Fee	\$2,010,268	\$2,194,665	\$2,198,582
Total Other Development Costs	\$2,010,268	\$2,194,665	\$2,198,582

Notes to the Other Development Costs:

1. Developer Fee does not exceed 18% of Development Cost before Land and Developer Fee in accordance with program rule requirements.

	Applicant Total Costs	Applicant's Revised Total Costs	Underwriter Total Costs
Development Cost Before Land	\$13,560,611	\$14,387,254	\$14,412,927
Land Acquisition Costs			
Land	\$1,190,000	\$1,190,000	\$1,190,000
Total Acquisition Costs	\$1,190,000	\$1,190,000	\$1,190,000

Notes to Acquisition Costs:

1. A Warranty Deed was received and reviewed dated December 15, 2003 between Robert N. Lynch, as Bishop of the Diocese of St. Petersburg, a corporation (Seller), and Grande Oaks, LLC (Purchaser) in the amount of \$1,000,000. In addition, a Warranty Deed was received and reviewed dated December 15, 2003 by and between Cusick P. Clow, as sole survivor of Corvette Specialty, Inc, a dissolved Florida corporation (Seller), and Grande Oaks, LLC (Purchaser) in the amount of \$190,000.
2. The Appraisal update dated August 15, 2003 by Clobus, McLemore & Duke, Inc., provides an estimate of "as is" value for the subject site in the amount of \$1,200,000, which supports the purchase price.

	Applicant Total Costs	Applicant's Revised Total Costs	Underwriter Total Costs
Total Development Cost	\$14,750,611	\$15,577,254	\$15,602,927

Notes to Total Development Cost:

1. Total Development Costs increased \$852,316 from the Application; which is primarily attributed to increases in construction and financial costs, as well as developer fee.

OPERATING PROFORMA

DESCRIPTION	Annual	Per Unit
Income		
Gross Potential Rental Revenue	\$1,398,924	\$8,327
Other Income		
Washer/Dryer Rentals	\$45,360	\$270
Cable TV & Miscellaneous Income	\$55,440	\$330
Other	\$0	\$0
Gross Potential Income	\$1,499,724	\$8,927
Less:		
Vacancy & Collection Loss @ 5%	\$74,986	\$446
Total Effective Gross Income (EGI)	\$1,424,738	\$8,481
Expenses		
Fixed:		
Real Estate Taxes	\$114,619	\$682
Insurance	\$71,400	\$425
Variable:		
Management @ 5%	\$74,986	\$446
General and Administrative	\$25,200	\$150
Payroll Expenses	\$134,400	\$800
Utilities	\$75,600	\$450
Marketing and Advertising	\$16,800	\$100
Maintenance and Repairs	\$42,000	\$250
Grounds Maintenance and Landscaping	\$46,200	\$275
Security	\$0	\$0
Reserve for Replacements	\$33,600	\$200
Other- Non Revenue Units	\$7,368	\$44
Other-	\$0	\$0
Total Expenses	\$642,173	\$3,822
Net Operating Income	\$782,565	\$4,658
Debt Service Payments		
First Mortgage -Tax Exempt Bonds	\$551,389	\$3,282
Second Mortgage -DUS Loan	\$60,004	\$357
Third Mortgage - SHIP (0% Deferred)	\$0	\$0
Fourth Mortgage - SAIL (\$3,000,000)	\$99,900	\$595
Total Debt Service Payments	\$711,293	\$4,234
Operating Income After Debt Service - Before Tax Cash Flow	\$71,272	\$424

Debt Service Coverage (DSC) Ratios	
DSC - First Mortgage Only	1.419
DSC - First & Second Mortgages	1.280
DSC - First, Second & Third Mortgages	1.280
DSC - First, Second, Third & Fourth Mtgs.	1.100
DSC - All Mortgages and Fees	1.100

Financial Ratios	
Operating Expense Ratio	45%

Notes to the Operating Proforma and Ratios:

1. Gross Potential Rental Revenue is based upon 2005 restricted rents less utility allowance on the affordable units as required by the HC Program. Note that the Applicant is requesting SAIL funds; which is income restricted but does not impose any rent restrictions. However, the developer has also applied for HC, which will impose rent restrictions and are reflected herein as well as the lower income set-aside at 50% AMI for the 2nd mortgage City of Tampa SHIP loan. Below is the rent roll for the subject property:

Tampa-St. Petersburg-Clearwater MSA / Hillsborough County

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Max Gross HC/SHIP Rents	Utility Allowance	Max Net HC Rents	Applicant Rents	Underwriter Rents	Annual Rents
2	2	67	940	60%	\$703	\$72	\$631	\$631	\$631	\$507,324
2	2	5	940	50%	\$586	\$72	\$514	\$514	\$514	\$30,840
3	2	64	1,150	60%	\$813	\$83	\$730	\$730	\$730	\$560,640
3	2	4	1,150	50%	\$678	\$83	\$595	\$595	\$595	\$28,560
4	2	2	1,300	50%	\$756	\$88	\$668	\$668	\$668	\$16,032
4	2	26	1,300	60%	\$907	\$88	\$819	\$819	\$819	\$255,528
Total		168	139,180							\$1,398,924

2. AmeriNational received and reviewed the development's annual budget versus actual as of December 31, 2005 and concludes the income and expense estimates, which are based on the appraisal are more conservative and reasonable considering a full year of operations has yet to be realized and the actual numbers are erratic.
3. The 5% vacancy and collection loss rate is based on AmeriNational's estimate of sustainable economic occupancy; which is supported by the appraiser.
4. Other Income is comprised of Washer/Dryer rentals and Miscellaneous Income, which are estimates by the appraiser and are comparable to other properties in the market. The Appraiser estimated the Washer/Dryer rentals at a rate of \$23/unit per month for 75% of the units, the cost of providing such is included in the Construction Budget per the Developer. Miscellaneous Income (i.e. vending income, late charges, pet deposits, forfeited security deposits, cable TV, etc.) is calculated at the rate of \$330 /unit per year. AmeriNational supports this estimate provided by the appraiser, which was based upon similar developments owned and managed by affiliates of the Applicant and find it within the band of reasonableness.
5. Based upon operating data from comparable properties, third party reports (primarily the preliminary data provided by the appraiser and market study), and the credit underwriter's independent due diligence; AmeriNational represents that, in our professional opinion, estimates for rental income, vacancy and loss allowances, other income, and operating expenses fall within a band of reasonableness.
6. A 5.0% management fee is supported by the management agreement.
7. Replacement Reserves of \$200 per unit per year are projected, which is based upon the Appraiser's calculation.
8. Based upon an anticipated NOI of \$782,565 the subject development can support the recommended supplemental SAIL Program Loan of \$3,000,000 at a combined minimum DSC of 1.100 : 1 as long as total annual Debt Service does not exceed \$782,565. If at closing of the SAIL

Program loan, the annual underwritten “combined” debt service exceeds \$782,565 , the first mortgage loan will have to be reduced so that the annual debt service does not exceed \$782,565 .

9. Refer to Exhibit 1, Page 1 for a 15-Year Proforma, which reflects rental income increasing at an annual rate of 3%, and expenses increasing at an annual rate of 4%.

Section B

SAIL Program Loan Special and General Conditions

Special Conditions

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

1. Receipt of an unaudited financial statement dated within 90 days of loan closing or a statement of no adverse change for Richard P. Richman; and an unaudited financial statement dated within 90 days of loan closing or a statement of no adverse change for TRGDC.

General Conditions

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

1. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
2. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The final sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
3. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, with coverages, deductibles and amounts satisfactory to Florida Housing.
4. Florida Housing approval of any outstanding past due item or non-compliance notices applicable to the subject development team by the closing of the loan(s).

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its legal counsel **at least two (2) weeks before closing**. Failure to receive approval of these items, along with all other items listed on Florida Housing counsel's due diligence list, within this timeframe may result in postponement of the closing date.

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

Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

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

10. Uniform Commercial Code ("UCC") Searches for the Borrower, and/or its partnerships, as requested by counsel.
11. Any other reasonable conditions established by Florida Housing and its legal counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all provisions of Sections 420.507(22) and 420.5087, Florida Statutes and Rule Chapter 67-48, F.A.C.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Loan in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement, the Mortgage and Security Agreement, and the Land Use Restriction Agreement.
3. At all times there will be undisbursed loan funds (collectively held by Florida Housing, First Mortgage Lender and any other sources) sufficient to complete the Development. If at any time there are not sufficient funds (held by Florida Housing, First Mortgage Lender and any other sources) to complete the development, the Borrower will be required to expend additional equity on development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the development before additional SAIL loan funds are disbursed. This condition specifically includes escrowing at closing all syndication and other equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion
4. If applicable, Guarantors are to provide the standard FHFC Construction Completion Guarantee; to be released upon lien-free completion as approved by the Servicer.
5. Guarantors are to provide the standard FHFC Operating Deficit Guarantees; to be released upon achievement of 1.10 combined debt service coverage for the first, second and third mortgages and the SAIL Loan for six consecutive months.
6. Guarantors are to provide the standard FHFC Environmental Indemnity Guarantees.
7. Guarantors are to provide the standard FHFC Recourse Obligations Guarantees.
8. Closing the first mortgage loan simultaneously with or prior to the closing of the SAIL loan.
9. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the SAIL loan is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgage Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves funds in the amount of \$200 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the

First Mortgagee or Florida Housing's loan servicing agent. An inflation factor based upon the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable to FHFC that evidences an increase in the deposit is excessive or unnecessary.

12. Receipt and satisfactory resolution (as determined by FHFC) of any outstanding past due items or non-compliance issues, according to the latest FHFC Past Due and/or Non-Compliance Reports.
13. Any other reasonable requirements of the Servicer, Florida Housing, or its legal counsel.

**Grande Oaks Apartments
15-Year Proforma**

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Income															
Gross Potential Rental Revenue	\$1,398,924	\$1,440,892	\$1,484,118	\$1,528,642	\$1,574,501	\$1,621,736	\$1,670,388	\$1,720,500	\$1,772,115	\$1,825,279	\$1,880,037	\$1,936,438	\$1,994,531	\$2,054,367	\$2,115,998
Other Income															
Washer/Dryer Rentals	\$45,360	\$46,721	\$48,122	\$49,566	\$51,053	\$52,585	\$54,162	\$55,787	\$57,461	\$59,185	\$60,960	\$62,789	\$64,673	\$66,613	\$68,611
Cable TV & Miscellaneous	\$55,440	\$57,103	\$58,816	\$60,581	\$62,398	\$64,270	\$66,198	\$68,184	\$70,230	\$72,337	\$74,507	\$76,742	\$79,044	\$81,416	\$83,858
Gross Potential Income	\$1,499,724	\$1,544,716	\$1,591,057	\$1,638,789	\$1,687,953	\$1,738,591	\$1,790,749	\$1,844,471	\$1,899,805	\$1,956,800	\$2,015,504	\$2,075,969	\$2,138,248	\$2,202,395	\$2,268,467
Less:					\$0										
Vacancy & Collection Loss @ 5%	\$74,986	\$54,065	\$55,687	\$57,358	\$59,078	\$60,851	\$62,676	\$64,556	\$66,493	\$68,488	\$70,543	\$72,659	\$74,839	\$77,084	\$79,396
Total Effective Gross Income	\$1,424,738	\$1,490,651	\$1,535,370	\$1,581,431	\$1,628,874	\$1,677,740	\$1,728,073	\$1,779,915	\$1,833,312	\$1,888,312	\$1,944,961	\$2,003,310	\$2,063,409	\$2,125,311	\$2,189,071
Expenses															
Fixed:															
Real Estate Taxes	\$114,619	\$119,204	\$123,972	\$128,931	\$134,088	\$139,452	\$145,030	\$150,831	\$156,864	\$163,139	\$169,664	\$176,451	\$183,509	\$190,849	\$198,483
Insurance	\$71,400	\$74,256	\$77,226	\$80,315	\$83,528	\$86,869	\$90,344	\$93,958	\$97,716	\$101,624	\$105,689	\$109,917	\$114,314	\$118,886	\$123,642
Variable:															
Management @ 5%	\$74,986	\$74,533	\$76,769	\$79,072	\$81,444	\$83,887	\$86,404	\$88,996	\$91,666	\$94,416	\$97,248	\$100,165	\$103,170	\$106,266	\$109,454
General and Administrative	\$25,200	\$26,208	\$27,256	\$28,347	\$29,480	\$30,660	\$31,886	\$33,161	\$34,488	\$35,867	\$37,302	\$38,794	\$40,346	\$41,960	\$43,638
Payroll Expenses	\$134,400	\$139,776	\$145,367	\$151,182	\$157,229	\$163,518	\$170,059	\$176,861	\$183,936	\$191,293	\$198,945	\$206,903	\$215,179	\$223,786	\$232,737
Utilities	\$75,600	\$78,624	\$81,769	\$85,040	\$88,441	\$91,979	\$95,658	\$99,484	\$103,464	\$107,602	\$111,906	\$116,383	\$121,038	\$125,880	\$130,915
Marketing and Advertising	\$16,800	\$17,472	\$18,171	\$18,898	\$19,654	\$20,440	\$21,257	\$22,108	\$22,992	\$23,912	\$24,868	\$25,863	\$26,897	\$27,973	\$29,092
Maintenance and Repairs	\$42,000	\$43,680	\$45,427	\$47,244	\$49,134	\$51,099	\$53,143	\$55,269	\$57,480	\$59,779	\$62,170	\$64,657	\$67,243	\$69,933	\$72,730
Grounds Maintenance and Landscaping	\$46,200	\$48,048	\$49,970	\$51,969	\$54,047	\$56,209	\$58,458	\$60,796	\$63,228	\$65,757	\$68,387	\$71,123	\$73,968	\$76,926	\$80,003
Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$33,600	\$33,600	\$33,600	\$33,600	\$33,600	\$33,600	\$34,944	\$36,342	\$37,795	\$39,307	\$40,880	\$42,515	\$44,215	\$45,984	\$47,823
Other	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368	\$7,368
Total Expenses	\$642,173	\$662,768	\$686,895	\$711,964	\$738,014	\$765,081	\$794,551	\$825,174	\$856,996	\$890,065	\$924,428	\$960,138	\$997,247	\$1,035,811	\$1,075,886
Net Operating Income	\$782,565	\$827,882	\$848,475	\$869,467	\$890,861	\$912,660	\$933,522	\$954,741	\$976,316	\$998,247	\$1,020,533	\$1,043,172	\$1,066,162	\$1,089,501	\$1,113,185
Debt Service Payments															
First Mortgage - Tax Exempt Bonds	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389	\$551,389
Second Mortgage - DUS loan	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004	\$60,004
Third Mortgage- SHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - SAIL	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900
Total Debt Service Payments	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293	\$711,293
Tax Cash Flow	\$71,272	\$116,589	\$137,182	\$158,174	\$179,568	\$201,367	\$222,229	\$243,448	\$265,023	\$286,954	\$309,240	\$331,879	\$354,869	\$378,208	\$401,892
Debt Service Coverage Ratios															
DSC - First Mortgage Only	1.419	1.501	1.539	1.577	1.616	1.655	1.693	1.732	1.771	1.810	1.851	1.892	1.934	1.976	2.019
DSC - First & Second Mortgages	1.280	1.354	1.388	1.422	1.457	1.493	1.527	1.562	1.597	1.633	1.669	1.706	1.744	1.782	1.821
DSC - First, Second & Third Mortgages	1.280	1.354	1.388	1.422	1.457	1.493	1.527	1.562	1.597	1.633	1.669	1.706	1.744	1.782	1.821
DSC - First, Second, Third & Fourth Mtgs.	1.100	1.164	1.193	1.222	1.252	1.283	1.312	1.342	1.373	1.403	1.435	1.467	1.499	1.532	1.565
DSC - All Mortgages and Fees	1.100	1.164	1.193	1.222	1.252	1.283	1.312	1.342	1.373	1.403	1.435	1.467	1.499	1.532	1.565
Financial Ratios															
Operating Expense Ratio	45%	44%	45%	45%	45%	46%	46%	46%	47%	47%	48%	48%	48%	49%	49%
Break-even Ratio	90%	89%	88%	87%	86%	85%	84%	83%	83%	82%	81%	81%	80%	79%	79%

**Grande Oaks Apartments (2004-009S / 2005-094S)
Hillsborough County
Description of Features and Amenities**

A. The Development will consist of 168 garden apartment units located in 11 residential buildings.

Unit Mix:	72	Two bedroom / two bath units
	68	Three bedroom / two bath units
	28	Four bedroom / two bath units
	168	Total units

The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change order has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state, and federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act (“ADA”), as applicable.

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

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

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

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

SAIL PROGRAM CREDIT UNDERWRITING REPORT

2. Microwave oven
3. Marble window sills
4. Dishwasher in all new construction units
5. Garbage disposal in all new construction units
6. Double compartment kitchen sink
7. Laundry hook-ups and space for full-size washer and dryer

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

1. Exercise room with appropriate equipment
2. Community center or clubhouse
3. Swimming pool
4. Car care area (for cleaning/washing)
5. Outside recreation facility (such as shuffleboard court, putting green, tennis court, full basketball court, volleyball court, etc.)
6. Library consisting of a minimum of 100 books and 5 current magazine subscriptions
7. Thirty-year expected life roofing on all buildings
8. Laundry facilities with full-size washers and dryers available in at least one common area on site
9. Exterior lighting in open and common areas

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

1. Air conditioning with SEER rating of 12 or better
2. Electric water heater with energy factor of .91 or better
3. Wall insulation of R-13 or better for frame-built construction
4. Attic insulation of R-30 or better
5. Ceiling fans in all bedrooms and living area in each unit

Excluding windows on doors and sidelights:

6. All windows single-pane with shading coefficient of .67 or better

SAIL PROGRAM CREDIT UNDERWRITING REPORT

- F.** The Borrower has committed to provide the following Resident Programs:
1. **Welfare to Work or Self-Sufficiency Type Programs:** The Borrower commits to actively seek residents who are participating in or who have successfully completed the training provided by these types of programs.
 2. **First Time Homebuyer Seminars:** Borrower or its Management Agent must arrange for and provide, at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners.
 3. **Literacy Training:** Borrower or its Management Agent must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site.
 4. **Job Training:** Borrower or its Management Agent must provide, at no cost to the resident, regularly scheduled classes in keyboarding, computer literacy, secretarial skills or other useful job skills, which will be provided at least once each quarter. If the training is not provided on-site, transportation at no cost to the resident must be provided.
 5. **Resident Activities:** These specified activities are planned, arranged, provided and paid for by the Borrower or its Management Agent. These activities must be an integral part of the management plan. The Borrower must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children's special functions, etc.
 6. **Health and Nutrition Classes:** At least eight hours per year, provided on site at no cost to the residents.
 7. **Financial Counseling:** This service must be provided by the Borrower or its Management Agent, at no cost to the resident, and must include the following components: must be regularly scheduled at least once each quarter; must include tax preparation assistance by qualified professionals; must include educational workshops on such topics as "Learning to Budget", "Handling Personal Finances", "Predatory Lending", or "Comparison Shopping for the Consumer".
 8. **Swimming Lessons:** The Borrower or its Management Agent must provide on-site swimming lessons for children or adults, at no cost to the resident, at least twice a year.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT

NAME: Grande Oaks Apartments

DATE: March 31, 2006

In accordance with the applicable Program Rule(s), the Applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Applicant that the transaction can close within the allowed timeframe. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	

COMPLETENESS AND ISSUES CHECKLIST

FINAL REVIEW	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 35% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

8/14/03

NOTES AND DEVELOPER RESPONSES:

None

Applicant's Response:

None