



To: Ms. Vicky Robinson
Deputy Development Officer
Florida Housing Finance Corporation

From: William J. Metler
Senior Credit Underwriter
First Housing Development Corporation

Date: November 7, 2006

Subject: Outrigger Village Apartments – Osceola County – 92L-093/92HR-007

Florida Housing Finance Corporation provided second mortgage financing for this acquisition/rehabilitation development in 1992 in the form of a HOME Loan for \$2,017,730 and Housing Credits. The HOME Loan matures on December 28, 2007.

At your request, First Housing Development Corporation of Florida, (“FHDC” or “First Housing”) has reviewed Royal American Construction Company, Inc.’s (“Royal American”) request to release a 3,101 square foot parcel of land upon sale to the City of Kissimmee (“City”) and to temporarily release an additional 6,207 square foot parcel for temporary use by the City for use during the Construction of an expanded Martin Luther King Boulevard.

Royal American has been advised by the City Attorney Donald Smallwood that the parcel requested is required for the construction of this project. The City has completed an independent third party appraisal which has concluded that the values of the “property interest” required by the City are as follows: a permanent slope and utility easement \$40,930 and a temporary two year construction easement \$14,730 for a total value of \$55,660. In an effort to amicably resolve the necessary acquisition without resorting to an eminent domain lawsuit, the City has offered to purchase these rights for \$61,250. This offer is approximately 110% of the appraised value of the land purchase and temporary land use value. Royal American countered with an offer of \$68,000. This counter offer was accepted by the City on October 6, 2006.

The parcels collectively represent the outside 10 feet along the north boundary of the Developments land which runs approximately 620 feet and abuts Ingraham Avenue which is to become Martin Luther King Boulevard.

The City’s need for the purchased parcel is described as “necessary for the purpose of harmonizing and tying in the City’s road right of way to the Grantors’ remaining property, and to use the

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Easement Area for construction, installation, maintenance, operation, repair, replacement and/or removal of street lights, junction boxes, underground conduits, transformers and transformer pads that will serve the City's road right of way as is reasonably necessary in connection with the construction of MLK Boulevard".

The City need for a two (2) year temporary easement is described as "to provide temporary ingress and egress by Grantee over and across the Easement Area and to perform all such necessary acts for the construction of MLK Boulevard". This temporary easement would expire upon the earlier of construction completion or two years from the date of recording the Easement.

First Housing has reviewed the City's offer to acquire the property rights, the survey, the appraisal, and the City's acceptance of the counter offer and found them all to be consistent with Royal American's request.

First Housing recommends that the net proceeds of the sale be deposited in an escrow account with the servicer until used to replace the fencing and landscaping that are being removed during the construction process. Due to the HOME Loan reaching maturity prior to anticipated completion of road construction, First Housing recommends that any remaining funds be deposited into the replacement reserve account for this Development.

Based upon the review of the information submitted by the Principals, and within the scope of this analysis as described herein, First Housing recommends the proposed sale and letting of temporary property rights.



William J. Metler
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