

BEFORE THE  
FLORIDA HOUSING FINANCE CORPORATION

*FHFC Case No.  
2007-004VW*

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FLORIDA HOUSING  
FINANCE CORPORATION

IN RE: THORBURY RRH, LTD./  
THORBURY APARTMENTS.

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**PETITION FOR WAIVER OF COMPLIANCE  
MONITORING FEES IMPOSED BY RULE 67-48.007,  
FLORIDA ADMINISTRATIVE CODE, AND THE UNIVERSAL  
APPLICATION INSTRUCTIONS ADOPTED AS RULES UNDER  
SECTION 67-48.004(1)(a), FLORIDA ADMINISTRATIVE CODE**

Petitioner, THORBURY RRH, LTD./THORBURY APARTMENTS("Thornbury"), files this Petition pursuant to § 120.542, Fla. Stat., and Rule 28-104, Florida Administrative Code, seeking a waiver of certain compliance monitoring fees imposed by Rule 67-48.007, Florida Administrative Code, and the Universal Application Instructions adopted as rules, pursuant to Rule 67-48-004, Florida Administrative Code, stating:

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

2. Petitioner applied for and received housing credits from the rural development set aside in the 2006 application cycle of the Florida Housing Finance Corporation ("FHFC"). The Petitioner's application number assigned by FHFC is 2006-

3. The housing credit compliance monitoring fees for the 2006 application cycle were adopted as rules pursuant to 67-21.003(1)(a) and 67-48.004, Florida Administrative Code. (Copies are attached as Exhibit A.)

4. The rules requiring compliance monitoring fees implement § 420.507, Fla. Stat., which provides for the collection and payment of fees and § 420.5099(7) which authorizes the expenditure of fees received in conjunction with the allocation of housing credits.

5. Thornbury Apartments is financed in part through a United States Department of Agricultural Rural Development program ("USDA RD") which provides a direct loan program for financing of multi-family housing. USDA RD and the FHFC have entered into an agreement to, in part, monitor compliance with tax credit requirements of RD borrowers. (A copy is attached hereto as Exhibit B).

6. Because of the compliance monitoring done by USDA RD and its prior agreements to share this information, there had been a different compliance monitoring fee imposed by FHFC on USDA RD projects through 2001. The reduced fee, however, was inadvertently omitted from the rules since 2002.

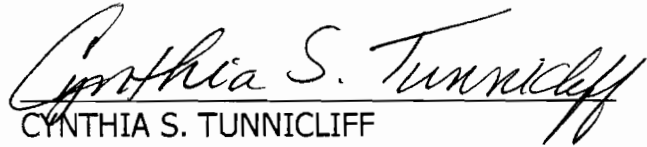
7. In 2001, the monitoring fee for USDA RD projects was \$300.00 per development over the compliance monitoring terms, which is 30 years for Thornbury and the payment would be discounted at 2.75%.

8. Petitioner requests a partial waiver of the annual compliance monitoring fees for the Thornbury project and requests that such fees be calculated on a base of \$350.00 over the compliance monitoring term of 30 years with the payment discounted at 2.75%. This would be fair and in accord with the prior rule and the attached memorandum of understanding between the FHFC and USDA RD which memorandum relieves FHFC from some of its monitoring responsibilities. The purpose of the statute will be achieved if this Petition is granted. The statutes require annual compliance monitoring and collection of fees to cover such monitoring. Since USDA undertakes some of the monitoring on this project, a reduced fee to be paid to Florida Housing Finance Corporation is fair and in accord with the statute. The application of the rule would violate principles of fairness in that requiring payment of the entire fee when a portion of the monitoring is being done by the USDA would result in an overpayment to Florida Housing in excess of what is required to reimburse it for the annual compliance monitoring. It also does not contradict the purpose of the underlying statute which provides for compliance and the collection of monitoring fees, both of which are still being accomplished by FHFC.

WHEREFORE, Petitioner requests FHFC partially waive the annual compliance monitoring fees under Part 7.b.(2) of the fee section of the Universal Application Instructions and impose a monitoring fee for Thornbury based on \$350.00 per development over the compliance monitoring term which is 30 years and the payment discounted at 2.75%.

DATED this 29<sup>th</sup> day of January, 2007.

Respectfully submitted,



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(77) "Scattered Sites" for a single Development means a Development consisting of real property in the same county (i) any part of which is not contiguous ("non-contiguous parts") or (ii) any part of which is divided by a street or easement ("divided parts") and (iii) it is readily apparent from the proximity of the non-contiguous parts or the divided parts of the real property, chain of title, or other information available to the Corporation that the non-contiguous parts or the divided parts of the real property are part of a common or related scheme of development.

(78) "Single Room Occupancy" or "SRO" means housing consisting of single room dwelling units that is the primary residence of its occupant or occupants. An SRO does not include facilities for students.

(79) "Special Counsel" means any attorney or law firm retained by the Corporation, pursuant to an RFQ, to serve as counsel to the Corporation, including Disclosure Counsel.

(80) "State Bond Allocation" means the allocation of the state private activity bond volume limitation pursuant to Chapter 159, Part VI, F.S., administered by the Division of Bond Finance and allocated to the Corporation for the issuance of Tax-exempt Bonds by either the SFMRB or MMRB Programs.

(81) "State Office on Homelessness" means the office created within the Department of Children and Family Services under Section 420.622, F.S.

(82) "Taxable Bonds" means those Bonds on which the interest earned is included in gross income of the owner for federal income tax purposes pursuant to the IRC.

(83) "Tax Exempt Bond-Financed Development" means a Development which has been financed by the issuance of tax-exempt bonds subject to applicable volume cap pursuant to section 42(h)(4) of the IRC.

(84) "Tax-exempt Bonds" means those Bonds on which all or part of the interest earned is excluded from gross income of the owner for federal income tax purposes pursuant to the IRC.

(85) "Tie-Breaker Measurement Point" means a single point selected by the Applicant on the proposed Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. For a Development which consists of Scattered Sites, this means a single point on one of the Scattered Sites which comprise the Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. In addition, the Tie-Breaker Measurement Point must be located on the site with the most units if any of the Scattered Sites has more than 4 units.

(86) "TEFRA Hearing" means a public hearing held pursuant to the requirements of the IRC and in accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA), section 147(f) of the IRC, at which members of the public or interested persons are provided an opportunity to present evidence or written statements or make comments regarding a requested application for Tax-exempt Bond financing of a Development by the Corporation.

(87) "Total Development Cost" means the sum total of all costs incurred in the construction of a Development all of which shall be subject to the review and approval by the Credit Underwriter and the Corporation pursuant to this rule chapter.

(88) "Urban In-Fill Development" means a Development (i) in a site or area that is targeted for in-fill housing or neighborhood revitalization by the local, county, state or federal government as evidenced by its inclusion in a HUD Empowerment/Enterprise Zone, a HUD-approved Neighborhood Revitalization Strategy, Florida Enterprise Zone, area designated under a Community Development Block Grant (CDBG) or area designated as a HOPE VI or Front Porch Florida Community or a Community Redevelopment Area as described and defined in the Florida Community Redevelopment Act of 1969, or the proposed Development is located in a Qualified Census Tract and the development of which contributes to a concerted community revitalization plan, and (ii) in a site which is located in an area that is already developed and part of an incorporated area or existing urban service area.

(89) "Website" means the Florida Housing Finance Corporation's website, the Universal Resource Locator (URL) of which is [www.floridahousing.org](http://www.floridahousing.org).

*Specific Authority 420.507(12), 420.508(3)(a) FS. Law Implemented 420.502, 420.503, 420.503(4), 420.507, 420.508, 420.5099 FS. History--New 12-3-86, Amended 2-22-89, 12-4-90, 11-23-94, 2-6-97, 1-7-98, Formerly 91-21.002, Amended 1-26-99, 11-14-99, 2-11-01, 3-17-02, 4-6-03, 10-5-03, 3-21-04, 2-7-05, 1-29-06.*

### **67-21.003 Application and Selection Process for Developments.**

(1) When submitting an Application, Applicants must utilize the Universal Application in effect at the Application Deadline.

(a) The Universal Application Package or UA1016 (Rev. 1-06) is adopted and incorporated herein by reference and consists of the forms and instructions, obtained from the Corporation, for a fee, at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or available, without charge, on the Corporation's Website under the 2006 Universal Application link labeled Instructions and Application, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the MMRB Program.

(b) All Applications must be complete, legible and timely when submitted, except as described below. Corporation staff may not assist any Applicant by copying, collating, or adding documents to an Application nor shall any Applicant be permitted to use the Corporation's facilities or equipment for purposes of compiling or completing an Application.



(96) "State Office on Homelessness" means the office created within the Department of Children and Family Services under Section 420.622, F.S.

(97) "Substantial Rehabilitation" means, with respect to the SAIL Program, to bring a Development back to its original state with added improvements, where the value of such repairs or improvements (excluding the costs of acquiring or moving a structure) exceeds 40% of the appraised as is value (excluding land) of such Development before repair. For purposes of this definition, the value of the repairs or improvements means the Development Cost. To be considered "Substantial Rehabilitation," there must be at least the foundations remaining from the previous structures, suitable to support the proposed construction.

(98) "Tax Exempt Bond-Financed Development" means a Development which has been financed by the issuance of tax-exempt bonds subject to applicable volume cap pursuant to Section 42(h)(4) of the IRC.

(99) "Tie-Breaker Measurement Point" means a single point selected by the Applicant on the proposed Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. For a Development which consists of Scattered Sites, this means a single point on one of the Scattered Sites which comprise the Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. In addition, the Tie-Breaker Measurement Point must be located on the site with the most units if any of the Scattered Sites has more than 4 units.

(100) "Total Development Cost" means the total of all costs incurred in the completion of a Development, all of which shall be subject to the review and approval by the Credit Underwriter and the Corporation pursuant to this rule chapter, and as further described in Rule 67-48.0075, F.A.C.

(101) "Treasury" means the United States Department of Treasury or other agency or instrumentality created or chartered by the United States to which the powers of the Department of Treasury have been transferred.

(102) "Urban In-Fill Development" means a Development (i) in a site or area that is targeted for in-fill housing or neighborhood revitalization by the local, county, state or federal government as evidenced by its inclusion in a HUD Empowerment/Enterprise Zone, a HUD-approved Neighborhood Revitalization Strategy, Florida Enterprise Zone, area designated under a Community Development Block Grant (CDBG), area designated as HOPE VI or Front Porch Florida Community, or a Community Redevelopment Area as described and defined in the Florida Community Redevelopment Act of 1969, or the proposed Development is located in a Qualified Census Tract and the development of which contributes to a concerted community revitalization plan, and (ii) in a site which is located in an area that is already developed and part of an incorporated area or existing urban service area.

(103) "Very Low-Income" means

(a) With respect to the SAIL Program,

1. If using tax-exempt bond financing for the first mortgage, income which meets the income eligibility requirements of Section 8 of the United States Housing Act of 1937, as in effect on the date of this rule chapter; or

2. If using taxable financing for the first mortgage, total annual gross household income which does not exceed 50% of the median income adjusted for family size, or 50% of the median income adjusted for family size for households within the metropolitan statistical area (MSA), within the county in which the Family resides, or within the state of Florida, whichever is greater; or

3. If used in a Development using Housing Credits, income which meets the income eligibility requirements of Section 42 of the IRC; or

(b) With respect to the HOME Program, income which does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for family size, except that HUD may establish income ceilings higher or lower than 50% of the median for the area on a basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(104) "Website" means the Florida Housing Finance Corporation's website, the Universal Resource Locator (URL) for which is [www.floridahousing.org](http://www.floridahousing.org).

*Specific Authority 420.507 FS. Law Implemented 420.5087, 420.5089(2) FS. History—New 7-22-96, Amended 12-23-96, 7-10-97, 1-6-98, Formerly 91-48.002, Amended 11-9-98, 2-24-00, 2-22-01, 3-17-02, 4-6-03, 3-21-04, 2-7-05, 1-29-06.*

#### **67-48.004 Application and Selection Procedures for Developments.**

(1) When submitting an Application, Applicants must utilize the Universal Application in effect at the Application Deadline.

(a) The Universal Application Package or UA1016 (Rev. 1-06) is adopted and incorporated herein by reference and consists of the forms and instructions, obtained from the Corporation, for a fee, at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or available, without charge, on the Corporation's Website under the 2006 Universal Application link labeled Instructions and Application, which shall be completed and submitted to the Corporation in accordance with this rule chapter in order to apply for the SAIL, HOME, HC, or SAIL and HC Program(s).

(b) All Applications must be complete, legible and timely when submitted, except as described below. Corporation staff may not assist any Applicant by copying, collating, or adding documents to an Application nor shall any Applicant be permitted to use the Corporation's facilities or equipment for purposes of compiling or completing an Application.

(2) Failure to submit an Application completed in accordance with the Application instructions and these rules will result in the failure to meet threshold, rejection of the Application, a score less than the maximum available, or a combination of these results in accordance with the instructions in the Application and this rule chapter.

(3) Each submitted Application shall be evaluated and preliminarily scored using the factors specified in the Universal Application Package and these rules. Preliminary scores shall be transmitted to all Applicants.

(4) Applicants who wish to notify the Corporation of possible scoring errors relative to another Applicant's Application must file with the Corporation, within eight (8) Calendar Days of the date of the preliminary scores are sent by overnight delivery by the Corporation, a written Notice of Possible Scoring Error (NOPSE). Each NOPSE must specify the assigned Application number and the scores in question, as well as describe the alleged deficiencies in detail. Each NOPSE is limited to the review of only one Application's score. Any NOPSE that seeks the review of more than one Application's score will be considered improperly filed and ineligible for review. There is no limit to the number of NOPSEs that may be submitted. The Corporation's staff will review each written NOPSE timely Received.

(5) The Corporation shall transmit to each Applicant the NOPSEs submitted by other Applicants with regard to its Application. The notice shall also include the Corporation's decision regarding the NOPSE, along with any other items identified by the Corporation to be addressed by the Applicant.

(6) Within 11 Calendar Days of the date of the notice set forth in subsection (5) above is sent by overnight delivery by the Corporation, each Applicant shall be allowed to cure its Application by submitting additional documentation, revised pages and such other information as the Applicant deems appropriate to address the issues raised pursuant to subsections (3) and (5) above that could result in rejection of the Application or a score less than the maximum available. Pages of the Application that are not revised or otherwise changed may not be resubmitted, except that documents executed by third parties must be submitted in their entirety, including all attachments and exhibits referenced therein, even if only a portion of the original document was revised. Where revised or additional information submitted by the Applicant creates an inconsistency with another item in that Application, the Applicant shall also be required in its submittal to make such other changes as necessary to keep the Application consistent as revised. The Applicant shall submit an original and three copies of all additional documentation and revisions. Only revisions, changes and other information Received by the deadline set forth herein will be considered. Any subsequent revision submitted prior to the deadline shall include a written request from the Applicant for withdrawal of any previously submitted revision(s).

(7) Within seven (7) Calendar Days of the deadline for receipt by the Corporation of the documentation set forth in subsection (6) above, all Applicants may submit to the Corporation a Notice of Alleged Deficiencies (NOAD) in any other Application. Each NOAD is limited only to issues created by document revisions, additions, or both, by the Applicant submitting the Application pursuant to subsection (6) above. Each NOAD must specify the assigned Application number, the pages and the documents in question, as well as describe the alleged deficiencies in detail. Each NOAD is limited to the review of only one Applicant's submission. However, there is no limit to the number of NOADs which may be submitted. NOADs which seek the review of more than one Applicant's submission will be considered improperly filed and ineligible for review. The Corporation will only review each written NOAD Received timely.

(8) The Corporation shall transmit a copy of all NOADs to the affected Applicant.

(9) Following the receipt and review by the Corporation of the documentation described in subsections (5), (6) and (7) above, the Corporation shall then prepare final scores. In determining such final scores, no Application shall be rejected or receive a point reduction as a result of any issues not previously identified in the notices described in subsections (3), (4) and (5) above. However, inconsistencies created by the Applicant as a result of information provided pursuant to subsections (6) and (7) above will still be justification for rejection or reduction of points, as appropriate. Notwithstanding the foregoing, any deficiencies in the mandatory elements set forth in subsection (14) below can be identified at any time prior to sending the final scores to Applicants and will result in rejection of the Application. The Corporation shall then transmit final scores to all Applicants.

(10) The availability of any remaining funds or Allocation Authority shall be noticed or offered to a Development as approved by the Board of Directors. With respect to the HC Program, in the event there remains Allocation Authority after the Corporation has exhausted its waiting list of Applications during a Funding Cycle and time requirements preclude an Application Period and notice thereof, the Corporation shall allocate any unused Allocation Authority to any eligible Development meeting the requirements of Section 42 of the IRC and in accordance with the Qualified Allocation Plan.

(11) Except for Local Government-issued Tax-Exempt Bond-Financed Developments that submit a separate Application for non-competitive Housing Credits, Applications shall be limited to one submission per subject property. Two or more Applications, submitted in the same Funding Cycle, that have the same demographic commitment and one or more of the same Financial Beneficiaries, will be considered submissions for the same Development if any of the following is true: (i) any part of any of the property sites is contiguous with any part of any of the other property sites, or (ii) any of the property sites are divided by a street or easement, or (iii) it is readily apparent from the Applications, proximity, chain of title, or other information available to the Corporation that the properties are part of a common or related scheme of development. If two or more Application are considered to be submissions for the same Development, the Corporation will reject all such Applications except the Applications with the highest (worst) lottery number. The Application with the lowest lottery number will still be rejected even if the Applicant withdraws the Application with the highest (worst) lottery number.

(12) If the Board determines that any Applicant or any Affiliate of an Applicant:

(a) Has engaged in fraudulent actions;

- (b) Has materially misrepresented information to the Corporation regarding any past or present Application or Development;
- (c) Has been convicted of fraud, theft or misappropriation of funds;
- (d) Has been excluded from federal or Florida procurement programs; or
- (e) Has been convicted of a felony;

And that such action substantially increases the likelihood that the Applicant will not be able to produce quality affordable housing, the Applicant and any of the Applicant's Affiliates will be ineligible for funding or allocation in any program administered by the Corporation for a period of up to two years, which will begin from the date the Board makes such determination. Such determination shall be either pursuant to a proceeding conducted pursuant to Sections 120.569 and 120.57, F.S., or as a result of a finding by a court of competent jurisdiction.

(13) The Corporation shall reject an Application if, following the submission of the additional documentation, revised pages and other information as the Applicant deems appropriate as described in subsection (6) above:

(a) The Development is inconsistent with the purposes of the SAIL, HOME, or HC Program(s) or does not conform to the Application requirements specified in this rule chapter;

(b) The Applicant fails to achieve the threshold requirements as detailed in these rules, the applicable Application, and Application instructions;

(c) The Applicant fails to file all applicable Application pages and exhibits which are provided by the Corporation and adopted under this rule chapter;

(d) An Applicant or any Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer is in arrears for any financial obligation it has to the Corporation or any agent or assignee of the Corporation. For purposes of the SAIL and HOME Programs, this rule subsection does not include permissible deferral of SAIL or HOME interest.

(14) Notwithstanding any other provision of these rules, there are certain items that must be included in the Application and cannot be revised, corrected or supplemented after the Application Deadline. Failure to submit these items in the Application at the time of the Application Deadline shall result in rejection of the Application without opportunity to submit additional information. Any attempted changes to these items will not be accepted. Those items are as follows:

- (a) Name of Applicant;
- (b) Identity of each Developer, including all co-Developers;
- (c) Program(s) applied for;
- (d) Applicant applying as a Non-Profit or for-profit organization;
- (e) Site for the Development;
- (f) Development Category;
- (g) Development Type;
- (h) Designation selection;
- (i) County;
- (j) Total number of units;

(k) With regard to the SAIL and HC Programs, the Total Set-Aside Percentage as stated in the last row of the total set-aside breakdown chart for the program(s) applied for in the Set-Aside Commitment section of the Application. With regard to the HOME Program, the Total Set-Aside Percentage as stated in the Set-Aside Commitment section of the Application, unless the change results from the revision allowed under paragraph (m) below;

(l) CHDO election for the HOME Program;

(m) Funding Request (except for Taxable Bonds) amount; notwithstanding the foregoing, requested amounts can be changed only as follows:

1. Reduced by the Applicant to reflect the maximum request amount allowed in those instances where an Applicant requested more than its request limit, or

2. When the county in which the Development is located is newly designated as a Difficult Development Area (DDA) after the Application Deadline but prior to the end of the cure period outlined in Rule 67-48.004, F.A.C.: (i) an Applicant, who has not failed threshold for exceeding its Competitive HC request limit, may increase its Competitive HC request by an amount equaling 30%, rounded to whole dollars, of the remainder of the Applicant's initial request amount minus the Application's Deep Targeting Incentive Amount or, (ii) an Applicant, that failed threshold during preliminary scoring for requesting more than its Competitive HC request limit because the Development was not then designated as being in a DDA, may increase its Competitive HC request amount to the maximum allowable amount for the Development.

(n) Submission of one original hard copy with the required number of photocopies of the Application by the Application Deadline;

(o) Payment of the required Application fee by the Application Deadline. All other items may be submitted as cures pursuant to subsection (6) above.

(15) A Development will be withdrawn from funding and any outstanding commitments for funds or HC will be rescinded if, at any time, the Board determines that the Applicant's Development or Development team is no longer the Development or Development team described in the Application, and the changes made are prejudicial to the Development or to the market to be served by the Development.



(16) If an Applicant or any Principal, Affiliate or Financial Beneficiary of an Applicant or a Developer has any existing Developments participating in any Corporation programs that remain in non-compliance with Section 42 of the IRC, this rule chapter, or applicable loan documents, and any applicable cure period granted for correcting such non-compliance has ended as of the time of submission of the Application or at the time of issuance of a credit underwriting report, the requested allocation will, upon a determination by the Board that such non-compliance substantially increases the likelihood that such Applicant will not be able to produce quality affordable housing, be denied and the Applicant and the Affiliates of the Applicant or Developer will be prohibited from new participation in any of the Corporation's programs for the subsequent cycle and continuing until such time as all of their existing Developments participating in any Corporation programs are in compliance.

(17) With respect to the SAIL, HOME and HC Program Applications, when two or more Applications receive the same numerical score, the Applications will be ranked as outlined in the Application instructions.

(18) At no time during the Application, scoring and appeal process may Applicants or their representatives contact Board members concerning their own Development or any other Applicant's Development. At no time from the Application Deadline until the issuance of the final scores as set forth in subsection (9) above, may Applicants or their representatives verbally contact Corporation staff concerning their own Application or any other Applicant's Application. If an Applicant or its representative does contact a Board member in violation of this section, the Board shall, upon a determination that such contact was deliberate, disqualify such Applicant's Application.

(19) Applicants may withdraw an Application from consideration only by submitting a written notice of withdrawal to the Corporation Clerk. Applicants may not rescind any notice of withdrawal that was submitted to the Corporation Clerk. For ranking purposes, the Corporation shall disregard any withdrawal that is submitted after 5:00 p.m., Eastern Time, 14 Calendar Days prior to the date the Board is scheduled to convene to consider approval of the final ranking of the Applications and such Application shall be included in the ranking as if no notice of withdrawal had been submitted. After the Board has approved the final ranking, any notice of withdrawal submitted during the time period prohibited above and before the Board approves the final ranking, shall be deemed withdrawn immediately after Board approval of the final ranking. If an Applicant has applied for two or more programs, the withdrawal by the Applicant from any one program will be deemed by the Corporation to be a withdrawal of the Application from all programs.

(20) The name of the Development provided in the Application may not be changed or altered after submission of the Application during the history of the Development with the Corporation unless the change is requested in writing and approved in writing by the Corporation.

(21) If an Applicant or any Affiliate of an Applicant has offered or given consideration, other than the consideration to provide affordable housing, with respect to a local contribution and this is discovered prior to Board approval of the final ranking, the Corporation shall reject the Application and any other Application submitted by the same Applicant and any Affiliate of the Applicant. If discovered after the Board approves final ranking, any tentative funding or allocation for the Application and any other Application submitted in the same cycle by the same Applicant and any Affiliate of the Applicant will be withdrawn. Such Applicant and any of such Applicant's Affiliates will be ineligible for funding or allocation in any program administered by the Corporation for a period of up to two years, which will begin the date the Board issues a final order on such matter, in a proceeding conducted pursuant to Sections 120.569 and 120.57, F.S.

*Specific Authority 420.507, 420.507(22)(f) FS. Law Implemented 420.5087, 420.5087(6)(c), 420.5089, 420.5089(6), 420.5099, 420.5099(2) FS. History—New 7-22-96, Amended 12-23-96, 7-10-97, 1-6-98, Formerly 91-48.004, Amended 4-7-98, 11-9-98, 2-24-00, 2-22-01, 3-17-02, 4-6-03, 3-21-04, 2-7-05, 1-29-06.*

#### **67-48.005 Applicant Administrative Appeal Procedures.**

(1) At the conclusion of the review and scoring process established by Rule 67-48.004, F.A.C., each Applicant will be provided with its final score and notice of rights, which shall constitute the point of entry to contest any issue related to the Applicant's Application for the SAIL Program, the HOME Program or the HC Program.

(2) Each Applicant that wishes to contest its final score must file a petition with the Corporation within 21 Calendar Days after the date Applicant receives its notice of rights. The petition must conform to subsection 28-106.201(2) or 28-106.301(2), and subsection 67-52.002(3), F.A.C., and specify in detail each issue and score sought to be challenged. If the petition does not raise a disputed issue of material fact, the challenge will be conducted pursuant to Section 120.57(2), F.S. If the petition raises one or more disputed issues of material fact, a formal administrative hearing will be conducted pursuant to Section 120.57(1), F.S. At the conclusion of any administrative hearing, a recommended order shall be entered by the designated hearing officer which will then be considered by the Board.

(3) Any Applicant who wishes to challenge the findings and conclusions of the recommended order entered pursuant to a Section 120.57(2), F.S., proceeding concerning its own Application shall be allowed the opportunity to submit written arguments to the Board. Any written argument should be typed and double-spaced with margins no less than one inch in either Times New Roman 14-point or Courier New 12-point font and may not exceed five pages. Written arguments must be filed with Florida Housing Finance Corporation's Clerk at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, no later than

78-713  
Signed by FME

**FLORIDA HOUSING FINANCE CORPORATION  
2006 CARRYOVER ALLOCATION AGREEMENT**

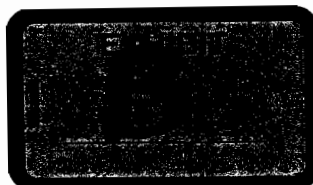
This 2006 Carryover Allocation Agreement (Agreement) by and between Florida Housing Finance Corporation (Florida Housing) and Thornbury RRH Ltd. (Owner) constitutes an allocation of the 2006 Housing Credit dollar amount meeting the requirements of Section 42(h)(1)(E) and (F) of the Internal Revenue Code of 1986 as amended (Code). Unless otherwise specifically provided, this Agreement and the terms used herein shall be interpreted in a manner consistent with the requirements of Section 42 of the Code.

In consideration of the conditions and obligations stated in this Agreement, Florida Housing and the Owner understand and agree as follows:

1. Florida Housing has reviewed the 2006 Application filed by the Owner of Thornbury Apartments (Development). Based on the evaluation of the Development identified in the 2006 Application, and the credit underwriting analysis, Florida Housing and the Owner incorporate, by reference, the 2006 Application into this Agreement.
2. The Owner acknowledges that all the terms, conditions, obligations, and deadlines set forth in this Agreement and the attached Exhibits, together with those that are incorporated by reference, constitute material and necessary conditions of this Agreement, and that the Owner's failure to comply with any of such terms and conditions shall entitle Florida Housing, at its sole discretion, to deem the credit allocation to be canceled by mutual consent of the parties. After any such cancellation, the Owner acknowledges that neither it, nor its successors in interest to the Development, shall have any right to claim Housing Credits pursuant to this allocation. Florida Housing reserves the right, at its sole discretion, to modify and/or waive any such failed condition precedent.
3. This 2006 Housing Credit allocation is not to exceed an annual amount of \$113,000.00 for the Development.

If the Development consists of more than one building, this Agreement constitutes an allocation of credit on a project basis to the Development in accordance with Section 42(h)(1)(F) of the Code. The "per building" Housing Credit amounts specified in **Exhibit A** are solely for purposes of determining the total housing credit allocation for the Development and do not constitute specific allocations made on a building by building basis.

This allocation is expressly conditioned upon satisfaction of the requirements of Section 42(h)(1)(E) of the Code and upon the terms and conditions of this Agreement.



78-2

4. The Owner certifies it is the legal owner of the Development and that the following information is true, accurate, and complete:

- a. Owner Name: Thornbury RRH Ltd.
- b. Taxpayer Federal ID#: 20-3924602
- c. Owner Address: 516 Lakeview Road Unit 8  
Clearwater, FL 33756
- d. Development Name: Thornbury Apartments
- e. Development Address: 31 Chelsea Street  
Lake Placid, FL 33852
- f. Florida Housing Development Number: 2006-009C
- g. Total Number of Units in Development: 48  
(Includes market rate units, set-aside units, and full-time employee units.)
- h. Total Number of Qualified Residential Units: 47
- i. Total Number of Buildings: 12
- j. Total Number of Qualified Residential Buildings: 11  
(as defined at Section 42(h)(1)(E)(ii) of the Code)
- k. Type of Construction: Acquisition and  
Rehabilitation/Substantial  
Rehabilitation
- l. Demographic/Designation: Family/RD515/Small County
- m. Anticipated Placed in Service Date: 6/30/2007  
of the last constructed/rehabilitated building (Month, Day and Year)
- n. Minimum Set-Aside: 40% of units at  
60% of area median income
- o. Total Set-Aside: 15% of the residential units at 40% of area median income  
85% of the residential units at 60% of area median income
- p. Extended Use Period: The Owner has irrevocably waived the "option to convert" to market rents after year 14 and FURTHER COMMITS to an additional compliance period of 15 years (fifteen years plus 15 additional years totaling 30

years).

- q. Development Features and Amenities: The Development will be constructed or rehabilitated in accordance with the 2006 Application and shall provide at a minimum the Features, Amenities and Programs described in **Exhibit B**.
5. a. Site Control:
- (i) The Owner shall demonstrate to Florida Housing that it has satisfied the requirement of site control by including a copy of the recorded deed and closing statements, or a copy of the executed long term lease agreement, together with such other evidence or documentation that Florida Housing shall deem necessary. These documents are to be incorporated into the Agreement as an attachment to the Development's Legal Description, **Exhibit C**.
- (ii) To meet the Site Control requirement, the Owner certifies to Florida Housing that it owns the land on which the Development is to be built, or that the Owner is the Lessee under a lease of the land on which the Development is to be built and which has a term that does not expire prior to the expiration of the Extended Use Period.

**Site Control Election:**

Owner shall initial only one of the following:

I elect to meet the Site Control requirement,

  X   upon the initial submission of this Agreement

or

       within six months of the execution of this Agreement

In choosing the six month election, the Owner agrees to provide evidence of meeting the requirement as a supplemental to the original Carryover Allocation Agreement without amending the original document.

- b. Cost Basis and Certification:

The Owner certifies that it shall incur at least 10 percent of the reasonably expected basis (10% test) of the Development no later than six months from the date of this Agreement. The Owner shall indicate below whether it chooses to provide evidence that the 10 % test has been met upon the initial submission of this Agreement or within six months of this Agreement's execution.

The Owner represents that its reasonably expected basis in the development (land and depreciable basis) as of December 31, 2008 is \$ 2,649,926, such that for purposes of the 10% test, it must have a basis in the Development

(land and depreciable basis) of at least \$ 264,993 by no later than six months from the date of this Agreement.

**Cost Basis and Certification Election:**

Owner shall initial only one of the following:

I elect to meet the 10% test requirement,

X upon the initial submission of this Agreement

or

\_\_\_\_\_ within six months of the execution of this Agreement

In choosing the six month election, the Owner agrees to provide an updated Exhibit D as evidence of meeting the 10% requirement. This will be a supplement to the original Carryover Allocation Agreement without amending the original document.

The Owner shall submit the properly completed and executed **Exhibit D** as evidence that it has or has not met the 10% test requirement.

Florida Housing's acceptance of any certification with respect to meeting the 10% test requirement, does not constitute a representation as to the satisfaction of the requirements under Section 42(h)(1)(E) of the Code as binding on the part of the Internal Revenue Service.

6. The Owner acknowledges that all qualified buildings within the Development shall be placed in service on or before December 31, 2008. The final tax credit determination by Florida Housing cannot be made until such time as all buildings are placed in-service and the required Final Cost Certification has been submitted and approved by Florida Housing. Florida Housing shall not issue any partial final allocations.
7. The Owner acknowledges and agrees to submit to Florida Housing, in accordance with Rule Chapter 67-48, Florida Administrative Code: (i) written progress reports evidencing the progress of the Development at least once each calendar quarter, and (ii) the completed and required Final Cost Certification documents by the date that is 75 calendar days after all the buildings in the Development have been placed in service.

In the event the Owner fails to comply with the above requirements or fails to commence construction within nine months from the effective date of this agreement, the Housing Credits allocated within this Agreement shall be deemed returned to Florida Housing pursuant to Section 42 (h)(3)(C) of the Code. Florida Housing, in its sole and absolute discretion, may extend the time for compliance with these requirements upon receipt of a written request from the Owner and if Florida Housing determines that the Owner is making a diligent effort to comply.

8. Pursuant to Rule Chapter 67-53, the Owner shall coordinate with the Development's

assigned servicer, Seltzer Management Group, Inc, to have at least four on-site construction inspections at the Owner's expense. The Owner shall insure that these inspections are conducted at different intervals during the construction period with one of the inspections conducted prior to the Development being 15% complete and one inspection conducted at construction completion.

9. The Owner acknowledges and agrees that Florida Housing shall further evaluate the Development, pursuant to Section 42(m)(2) of the Code for a final housing credit allocation determination upon Final Cost Certification, when all buildings in the Development are placed in service.

The Owner further acknowledges and agrees that, if the carryover housing credit allocation dollar amount, set forth in paragraph 3 of this Agreement, exceeds the amount for which the Development is determined by Florida Housing to be finally eligible, pursuant to Section 42(m)(2) of the Code, the amount of any such excess shall be returned to and recovered by Florida Housing pursuant to Section 42(h)(3)(C) of the Code for reallocation to other developments.

10. Upon the Owner's written notification to Florida Housing that the last building in the Development is placed in service, Florida Housing's receipt of evidence that all contingency items identified in Exhibit E of the Agreement have been satisfied, and acceptance by Florida Housing of the Final Cost Certification documents which include but are not limited to:

- the Final Cost Certification
- the monitoring fee
- copies of Certificates of Occupancy
- a copy of the Syndication Agreement
- an Independent Auditor's Report prepared by an independent Certified Public Accountant
- photographs of the completed property
- the original, executed Extended Low-Income Housing Agreement in accordance with the deadlines imposed above

Florida Housing shall issue an Internal Revenue Service Form 8609 for each building, in accordance with the applicable federal law governing Housing Credit allocation under Section 42 of the Code and Florida Housing program rules. The Extended Low-Income Housing Agreement, with respect to the Development, shall, incorporate the terms, conditions, and obligations undertaken by the Owner pursuant to paragraph 4 of this Agreement.

11. This Agreement does not in any way constitute a representation, warranty, guaranty, advice, or suggestion by Florida Housing as to the qualification of the Development for Housing Credits, or the financial feasibility, or viability of the Development. The

Agreement shall not be relied on as such by any owner, developer, investor, tenant, lender or other person or entity for any reason.

If and to the extent that the allocation made pursuant to this Agreement is determined to be invalid, due to an error made by Florida Housing in determining its Housing Credit dollar amount for calendar year 2006, this Agreement shall be deemed to constitute a binding commitment on behalf of Florida Housing to allocate an equal amount of Housing Credits from its future Housing Credit Allocation Authority to the extent allowed by Section 42 of the Code. Such binding commitment shall, in all respects, be subject to the terms and conditions of this Agreement.


12. The Owner acknowledges and agrees to notify Florida Housing, in writing, in the event of a sale, transfer, or change in ownership of the Development in accordance with Rule Chapter 67-48, Florida Administrative Code.
13. Amendments to this document may be made by Florida Housing only upon written request from the Owner and as Florida Housing deems necessary.
14. The date of this Agreement is the date it is executed on behalf of Florida Housing as shown on the execution page hereto.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

--OWNER--

Acknowledged, agreed and accepted:

Owner: Thornbury RRH Ltd.

By:   
Signature

Thomas F. Flynn  
Typed or Printed Name

Title: Manager of LLC General Partner

Address: 516 Lakeview Rd. #8  
Clearwater, FL 33756

Date: December 6, 2006

STATE OF Florida  
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this 6 day of December,  
2006, by Thomas F. Flynn as Manager of LLC General Partner for  
Thornbury RRH, Ltd. (Name) (Type of Authority)

(Name of party on behalf of whom instrument was executed)

Personally Known  or Produced Identification \_\_\_\_\_

Karen L. Flint  
Notary Public, State of FLORIDA



KAREN L. FLINT  
Print, Type or Stamp Name

6/8/2010  
Date Commission Expires



--FLORIDA HOUSING--

FLORIDA HOUSING FINANCE CORPORATION  
227 North Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329

By its execution of this Agreement, and based on the foregoing representations and obligations, Florida Housing issues to the Owner a Carryover Allocation of 2006 housing credits pursuant to Section 42(h)(1)(E) and (F) of the Internal Revenue Code, as amended, subject to the conditions elsewhere in this Agreement. FLORIDA HOUSING HAS RELIED UPON INFORMATION SUBMITTED TO IT BY THE DEVELOPMENT OWNER IN ISSUING THIS CARRYOVER ALLOCATION. FLORIDA HOUSING MAKES NO REPRESENTATIONS OR GUARANTEES THAT THE OWNER IS ELIGIBLE TO RECEIVE THE CREDIT STATED HEREIN. THE INTERNAL REVENUE SERVICE DETERMINES TAXPAYER ELIGIBILITY.

Vicki A. Robinson Date: 12/29/2006

Florida Housing Tax Identification Number: 59-3451366

STATE OF FLORIDA  
COUNTY OF LEON

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of December, 2006 by Vicki A. Robinson as Deputy Development Officer of the FLORIDA HOUSING FINANCE CORPORATION, a public corporation, the successor in interest to the Florida Housing Finance Agency, on behalf of said Corporation. She is personally known to me.

Jade M. Oliver  
Notary Public

\_\_\_\_\_  
Print or Stamp Name

\_\_\_\_\_  
Date Commission Expires



JADE M. OLIVER  
Commission DD 621850  
Expires December 12, 2010  
Bonded Thru Troy Fahn Insurance 800-985 7013





EXHIBIT "B"  
(THORNBURY APARTMENTS/ 2006-009C)  
DESCRIPTION OF FEATURES AND AMENITIES

A. After rehabilitation, the Development will consist of:

47 Garden Apartment units located in 11 residential buildings and  
1 Garden Apartment located in a community building.

Unit Mix:

Twenty-six (26) one bedroom/one bath units containing a minimum of  
600 sq. ft of heated and cooled living area

Twenty-two (22) two bedroom/one bath units containing a minimum of  
800 sq. ft of heated and cooled living area

48 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 has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & 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 in all units (window units are not allowed; however, through-wall units are permissible for rehabilitation).
2. Window treatments for each window inside each unit.
3. Termite prevention and pest control throughout the entire affordability period.
4. Peephole on all exterior doors.
5. Exterior lighting in open and common areas.
6. Cable or satellite TV hook-up in all units.
7. Range, oven and refrigerator in all units.
8. At least two full bathrooms in all 3 bedroom or larger new construction units.

EXHIBIT "B"  
(THORNBURY APARTMENTS/ 2006-009C)  
DESCRIPTION OF FEATURES AND AMENITIES

9. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units.
- C. The Applicant has committed to provide the following features in each rehabilitation unit:
1. Marble window sills in all units
  2. Double compartment kitchen sink in all units
  3. New refrigerator in all units
- D. The Applicant has committed to the following amenities in the Development:
1. 30 Year expected life roofing on all buildings
  2. Playground/tot lot, accessible to children with disabilities (must be sized in proportion to Development's size and expected resident population with age-appropriate equipment)
  3. Computer lab on-site with minimum one computer per 50 units, with basic word processing, spreadsheets and assorted educational and entertainment software programs and at least one printer
  4. Laundry facilities with full-size washers and dryers available in at least one common area on site
- E. The Applicant has committed to provide the following energy conservation features for all buildings in the Development:
1. Heat pump with a minimum HSPF of 7.5 instead of electric resistance
  2. Air conditioning with SEER rating of 13 or better
  3. Attic insulation of R-30 or better
- F. The Applicant has committed to provide the following Resident Programs:
1. Welfare to Work or Self-Sufficiency Type Programs - The Applicant commits to actively seek residents who are participating in or who have successfully completed the training provided by these types of programs.

EXHIBIT "B"  
(THORNBURY APARTMENTS/ 2006-009C)  
DESCRIPTION OF FEATURES AND AMENITIES

2. Homeownership Opportunity Program - Financial Assistance with Purchase of a Home: Applicant commits to provide a financial incentive for the purchase of a home which includes the following provisions:
  - the incentive must be applicable to the home selected by the resident and may not be restricted to or enhanced by the purchase of homes in which the Applicant, Developer, or other related party has an interest;
  - the incentive must not be less than five percent (5%) of the rent for the resident's unit during the resident's entire occupancy (Note: Resident will receive the incentive for all months for which the resident is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
  - the benefit must be in the form of a gift or grant and may not be a loan of any nature;
  - the benefits of the incentive must accrue from the beginning of occupancy;
  - the vesting period can be no longer than 2 years of continuous residency; and
  - no fee, deposit or any other such charge can be levied against the resident as a condition of participation in this program.
3. First Time Homebuyer Seminars – Applicant or its Management Agent must arrange for and provide, at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners.
4. Job Training – Applicant 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 Applicant or its Management Agent. These activities must be an integral part of the management plan. The Applicant 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. Resident Assistance Referral Program - The Applicant or its Management Agent will make available to residents information about services such as crisis intervention, individual and family needs assessment, problem solving and planning, appropriate information and referral to community resources and services based on need, monitoring of ongoing ability to retain self sufficiency,

EXHIBIT "B"  
(THORNBURY APARTMENTS/ 2006-009C)  
DESCRIPTION OF FEATURES AND AMENITIES

and advocacy to assist clients in securing needed resources. This service must be provided at no cost to the resident.

7. Life Safety Training - The Applicant or its Management Agent must provide courses such as fire safety, first aid (including CPR), etc., on-site, at least twice each year, at no cost to the resident.
8. Mentoring – Establish a partnership with a primary or secondary education institution to encourage mentoring, tutoring and/or financial support that will benefit the residents of the proposed affordable housing community. This service must be provided at no cost to the resident.

**EXHIBIT C**  
**LEGAL DESCRIPTION**

(Please attach a legal description of the property)

Development Name: Thornbury Apartments

Development Number: 2006-009C



EXHIBIT "A"

THORNBURY APARTMENTS  
LAKE PLACID, FLORIDA

LEGAL DESCRIPTION

The North 1/2 of Lot 43, LAKE GROVES, in Section 36, Township 36 South, Range 29 East, according to the plat thereof recorded in Plat Book 3, Page 67, of the Public Records of DeSoto County, Florida, of which Highlands County was formerly a part, and in Transcript Book 1, Page 11, of the Public Records of Highlands County, Florida.

**EXHIBIT D, Page 1  
COST BASIS DOCUMENT**

**DEVELOPMENT NAME:** Thornbury Apartments  
**FILE NUMBER:** 2006-009C

<small>(TO BE COMPLETED BY THE OWNER'S CPA OR ATTORNEY)</small>	<b>TOTAL ESTIMATED DEVELOPMENT COST</b>	<b>REASONABLY EXPECTED BASIS*</b>	<b>CURRENT BASIS</b>
<b>SOURCES</b>			
Investor's Capital Contribution (Syndication Proceeds)	990,926.00		
First Mortgage	1,409,000.00		
Second Mortgage	250,000.00		
Grants			
Owner's Contribution			
Other			
<b>Total Sources:</b>	<b>2,649,926.00</b>		
<b>USES</b>			
Building or Land Acquisition			
Land	132,000.00	132,000.00	132,000.00
Building	1,433,000.00	1,433,000.00	1,433,000.00
Legal - Acquisition		0.00	
Building Rehab. or New Constr.	684,000.00	684,000.00	
Hard Costs		0.00	
Construction Period Interest		0.00	
Demolition		0.00	
Site Work		0.00	
Legal	22,000.00	22,000.00	
Accounting	30,000.00	30,000.00	
Architectural & Engineering	11,000.00	11,000.00	
Surveying	5,000.00	5,000.00	
Environmental	3,000.00	3,000.00	
Appraisal	5,000.00	5,000.00	
Tax Credit Fees	32,588.00	0.00	
Development Fee	198,934.00	198,934.00	
Syndication Expenses		0.00	
Construction Loan Fees	5,000.00	5,000.00	
Other	6,404.00	6,404.00	
<b>TAXES &amp; INSURANCE</b>	<b>15,000.00</b>	<b>15,000.00</b>	
Reserves	67,000.00	67,000.00	67,000.00
<b>Total Uses:</b>	<b>2,649,926.00</b>	<b>2,617,338.00</b>	<b>1,632,000.00</b>

<b>SUMMARY</b>	
Current Basis:	1,632,000.00
Reasonably Expected Basis:	2,617,338.00
Percentage Complete:	62.35%
Date:	

*Xiang Morin*  
CPA/ATTORNEY SIGNATURE

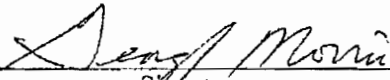
12/21/06      727-4416829  
DATE      TELEPHONE

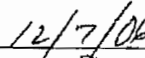
This form may be signed by the Applicant or designee if submitting as evidence of NOT meeting the 10% test.

\* These figures are estimates for computation purposes only. For purposes of the Carryover Allocation Agreement, "reasonably expected basis" pursuant to Section 42(h)(1)(E)(ii) need not be the same as eligible basis and is computed for an entire project, rather than building-by-building.

**EXHIBIT D, Page 2**  
**COST BASIS CERTIFICATION**

I certify that I have examined all eligible costs incurred, as listed on the Cost Basis Document, with respect to Thornbury Apartments. Based on this examination, it is my belief that Thornbury RRH Ltd. has incurred more than 10 percent of its reasonably expected basis in Thornbury Apartments pursuant to Section 42(h)(1)(E)(ii) of the Internal Revenue Code.

  
Signature

  
Date

George E. Morris, CPA  
Print or Type Name of Certified Public Accountant ~~or Attorney~~

250 North Belcher Road, Suite 100, Clearwater, FL 33765  
Address

727-441-6829  
Telephone Number

EXHIBIT E  
CONDITIONS

Development Name: Thornbury Apartments

Development Number: 2006-009C

---

1. Approval by Florida Housing of a positive credit underwriting recommendation that housing credits be allocated to this Development.
2. Verification from the Applicant and the Credit Underwriter that all contingency items as stated in the credit underwriting report have been met no later than nine (9) months from the date of execution of the Carryover Allocation Agreement.

EXHIBIT F

EXPLANATION OF CHANGES

DEVELOPMENT NAME: Thornbury Apartments

FILE NUMBER: 2006-009C

If there are any changes in the project information from that submitted with the application, provide a detailed explanation/justification for the changes. These changes MUST be reviewed and approved by Florida Housing prior to execution of this Agreement.

Check those items that have changed and explain changes in the spaces provided below. Attach supporting documentation as needed.

<input type="checkbox"/>	Taxpayer Federal Identification Number
<input type="checkbox"/>	Project Address
<input type="checkbox"/>	Number of Units
<input type="checkbox"/>	Number of Buildings
<input type="checkbox"/>	Set-Aside Elections
<input type="checkbox"/>	Extended Use Period
<input type="checkbox"/>	Project Amenities
<input type="checkbox"/>	Tenant Programs
<input type="checkbox"/>	Other: _____

Explanation of Changes:



227 North Birchough Street, Suite 5000 • Tallahassee, Florida 32301  
850.488.4197 • Fax 850.488.9809 • www.floridahousing.org

we make housing affordable

**TAXPAYER ELECTION OF APPLICABLE PERCENTAGE**

Pursuant to Section 42(b)(2)(A)(ii) of the Internal Revenue Code (the "Code"), Thornbury RRH, Ltd. (the "Owner") and the Florida Housing Finance Corporation ("Florida Housing") hereby enter into an agreement as to the housing credit amount allocated to Thornbury Apts. (the "Project"). This agreement represents an **irrevocable** election by the Owner to accept the credit rate chosen below and is dependent upon the issuance of a binding commitment for the allocation of housing credits from Florida Housing. The requirements of this action are set forth in Section 42(b)(A)(ii) of the Code and are not those of Florida Housing or the State of Florida.

**CHOOSE EITHER OF THE FOLLOWING:**

If this box is checked, the Owner hereby **irrevocably** elects, pursuant to Section 42(b)(2)(A)(ii) of the Code, to fix the applicable credit percentage(s) for each building in the development as the percentage(s) prescribed by the Secretary of the Treasury for the month of December, 2006, which is the month of the Carryover Allocation Agreement. Florida Housing and the Owner acknowledge that this agreement constitutes an agreement binding upon Florida Housing, the Owner and all successors in interest to the Owner as owners of the Development as the allocation of 2006 Housing Credit authority to the building(s) in the Development, subject to compliance by the Owner with the requirements of Section 42 of the Code and the additional requirements, if any, of Florida Housing.

The undersigned hereby elects to accept the credit rate of 8.12% (70% present value credit) or 3.48% (30% present value credit) applicable only to the below identified development and building(s), as set forth in the Carryover Allocation Agreement of November 27, 2006.

**-OR-**

If this box is checked, the Owner makes no election pursuant to Section 42(b)(2)(A)(ii) of the Code, and accordingly, the applicable percentage for a building shall be that for the month in which the particular building is placed in service.

TAXPAYER ELECTION OF APPLICABLE PERCENTAGE

Page 2 of 2

BY: *Thomas F. Flynn* December 6, 2006  
 Signature of Owner Date

Thomas F. Flynn  
 Name (Type or Print)

Manager of LLC General Partner  
 Title

Thornbury Apartments 2006-009C  
 Development Name/Number

Acquisition Rehabilitation  
 Type of Building(s) (New Construction, Rehabilitation or Acquisition)

STATE OF Florida  
 COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this 6 day of December, 2006  
 by Thomas F. Flynn who is personally known to me or who  
 has produced \_\_\_\_\_ as identification.

*Karen L. Flint* KAREN L. FLINT 6/8/2010  
 Signature of Notary Public Printed or Stamped Name and Expiration Date



Received and Accepted: *Vict. A. Robinson* Date: 12/29/2006  
 Deputy Development Officer  
 Florida Housing Finance Corporation



227 North Bronough Street, Suite 5020 • Tallahassee, Florida 32301  
850 488.4197 • Fax 850.488.9509 • www.floridahousing.org

we make housing affordable

**GROSS RENT FLOOR ELECTION**

In accordance with Revenue Procedure 94-57, the Internal Revenue Service will treat the Gross Rent Floor in Section 42(g)(2)(A) as taking effect on the date the Corporation initially allocates\* housing credits to the building. However, the IRS will treat the Gross Rent Floor as taking effect on the building's placed-in-service date **IF** the owner designates that date instead and so **informs the Corporation prior to the placed-in-service date of the building.**


**THIS IS A ONE-TIME ONLY, IRREVOCABLE ELECTION.**

The undersigned owner hereby makes the following election with respect to the Gross Rent Floor Effective Date for each building in the project designated below:

On date of initial allocation (or determination)

On placed-in-service date

\* If the proposed project is tax-exempt bond financed (as defined by the IRC), the IRS will treat the gross rent floor as taking effect on the date the Corporation initially issues a determination letter unless the owner designates that the placed-in-service date should be used.

	12/14/06	Thornbury Apartments 2006-009C
Owner Signature	Date	Project Name

Thomas F. Flynn	Thornbury RRH, Ltd.
Owner Name (Print or Type)	Project Name

THIS ELECTION MUST BE RECEIVED BY THE CORPORATION PRIOR TO THE PLACED-IN-SERVICE DATE OF ANY BUILDING IN THE PROJECT.

RECEIVED BY THE FLORIDA HOUSING FINANCE CORPORATION  
(Date Stamp):

RECEIVED  
 2006 DEC 19 PM 1:31  
 FLORIDA HOUSING  
 FINANCE CORPORATION



RECEIVED: OCT 7 2006

185080  
11426 JK  
2100  
1500

Prepared by and return to:  
William B. Rambaum  
Attorney at Law  
William Rambaum & Associates, PA  
28960 U.S. Highway 19 North Suite 100  
Clearwater, FL 33761  
727-781-5357  
File Number: R-Flynn-Lake Placid  
Will Call No.:

FILED IN HIGHLANDS COUNTY, FL  
L.E. "LUKE" BROOKER, CLERK OF COURTS  
FILED 11/08/2006 AT 04:00:08 PM  
BOOK 2022 PAGE 196-197 INSTRUMENT#1424626  
DOC TYPE: D DEPUTY CLERK J.ROMANIK REC. FEE  
\$18.50 DEED DOC STAMPS \$11426.80

(Space Above This Line For Recording Data)

## Warranty Deed

This Warranty Deed made this 30th day of October, 2006 between Lake Placid, Ltd., a Florida Limited Partnership whose post office address is 516 Lakeview Road, Unit 8, Clearwater, FL 33756-3302, grantor, and Thornbury RRH, Ltd., a Florida Limited Partnership whose post office address is 516 Lakeview Road, Unit 8, Clearwater, FL 33756-3302, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Escambia County, Florida to-wit:

North 1/2 of Lot 43, in Section 36, Township 36 South, Range 29 East, LAKE GROVES, according to the map or plat thereof as recorded in Plat Book 3, Page(s) 67, Public Records of Desoto County, Florida of which Highlands County was formerly a part of and in Transcript Book, Page 11, Public Records of Highlands County, Florida.

Parcel Identification Number: P-36-36-29-090-0131-0000

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except the following:

- Taxes accruing subsequent to January 1, 2006.
- Terms and conditions of that mortgage given from Lake Placid, Ltd., a Florida Limited Partnership to the United States Department of Agriculture in the original principal sum of \$1,493,400.00 and recorded at O.R. Book 952, page 3, of the Official Records of Highlands County, Florida, which the grantee hereby assumes and agrees to pay.

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

78-8

Signed, sealed and delivered in our presence:

William Rambann  
William Rambann  
Daniel C. Belcher  
Daniel C. Belcher

Lake Placid, Ltd., a Florida Limited Partnership  
By: Lake Placid, LLC., a Florida Limited Liability  
Corporation, and General Partner of Lake Placid, Ltd.

By: Thomas F. Flynn  
Thomas F. Flynn, Manager, Lake Placid, LLC.

(Corporate Seal)

State of Florida  
County of Pinellas

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of October, 2006 by Thomas F. Flynn, Manager of Lake Placid, LLC, a Florida Limited Liability Corporation which is the General Partner of Lake Placid, Ltd., a Florida Limited Partnership, on behalf of the Partnership. He/she  is personally known to me or  has produced a driver's license as identification.

[Notary Seal]



DANIEL C. BELCHER  
MY COMMISSION # DD 288546  
EXPIRES: February 8, 2008  
Honored thru Budget Notary Services

Daniel C. Belcher  
Notary Public

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

A. Settlement Statement

B. Type of Loan

<input type="radio"/> 1. FHA	<input type="radio"/> 2. FmHA	<input type="radio"/> 3. Conv. Unins.	6. File Number S-Flynn-Thomb	7. Loan Number ID:	8. Mortg. Ins. Case Num.
<input type="radio"/> 4. V.A.	<input type="radio"/> 5. Conv. Ins.				

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: Thornbury RRH, Ltd., a Florida Limited Partnership  
Address of Borrower:

E. NAME OF SELLER: Lake Placid, Ltd., a Florida Limited Partnership  
Address of Seller: 516 Lakeview Road, UNIT # 8, Clearwater, Florida 33756-3302  
TIN: 59-3590766

F. NAME OF LENDER: United States of America, Rural Development, Department of Agriculture  
Address of Lender: 750 S. Military Trail, Suite J, West Palm Beach, Florida 33415

G. PROPERTY LOCATION: 31 Chelsea Street, Lake Placid, Florida 33852-6484

H. SETTLEMENT AGENT: William Rambaun & Associates, PA  
Place of Settlement: 28960 U.S. Highway 19 North, Suite 100, Clearwater, Florida 33761  
TIN: 59-2763227  
Phone: 727-781-5357

I. SETTLEMENT DATE: 10/30/06 DISBURSEMENT DATE: 10/30/06

J. Summary of borrower's transaction		K. Summary of seller's transaction	
100. Gross amount due from borrower:		400. Gross amount due to seller:	
101. Contract sales price	1,632,332.63	401. Contract sales price	1,632,332.63
102. Personal property		402. Personal property	
103. Settlement charges to borrower (Line 1400)	273,859.70	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance:		Adjustments for items paid by seller in advance:	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross amount due from borrower:	1,906,192.33	420. Gross amount due to seller:	1,632,332.63
200. Amounts paid or in behalf of borrower:		500. Reductions in amount due to seller:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to	1,409,332.63	503. Existing loan(s) taken subject to	1,409,332.63
204. Principal amount of second mortgage	250,000.00	504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506. Deposits held by seller	
207. Principal amt of mortgage held by seller		507. Principal amt of mortgage held by seller	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller:		Adjustments for items unpaid by seller:	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total paid by/for borrower:	1,659,332.63	520. Total reductions in amount due seller:	1,409,332.63
300. Cash at settlement from/to borrower:		600. Cash at settlement to/from seller:	
301. Gross amount due from borrower (line 120)	1,906,192.33	601. Gross amount due to seller (line 420)	1,632,332.63
302. Less amount paid by/for the borrower (line 220)	(1,659,332.63)	602. Less total reductions in amount due seller (line 520)	(1,409,332.63)
303. Cash ( <input checked="" type="checkbox"/> From <input type="checkbox"/> To ) Borrower:	246,859.70	603. Cash ( <input checked="" type="checkbox"/> To <input type="checkbox"/> From ) Seller:	223,000.00

Substitute Form 1099 Seller Statement: The information contained in blocks E, G, H, and I and on line 401 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

Seller Instructions: If this real estate was your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your tax return; for other transactions, complete the applicable parts of Form 4797, Form 6262 and/or Schedule D (Form 1040).

Borrower's Initial(s):

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Seller's Initial(s):

77

				Seller POC/Seller POC		Paid from Borrower's Funds at Settlement		Paid from Seller's Funds at Settlement	
<b>1 Settlement charges</b>									
700. Total Sales/Brokers Com. based on price	\$859,002.27	⊕	% =						
701.	% to								
702.	% to								
<b>703. Commission paid at settlement</b>									
704.	to								
<b>800. Items payable in connection with loan:</b>				Borrower POC/Seller POC					
801. Loan origination fee	% to								
802. Loan discount	% to								
803. Appraisal fee	to								
804. Credit report	to								
805. Lender's inspection fee	to								
806. Mortgage insurance application fee	to								
807. Assumption Fee	to								
808.	to								
809.	to								
810.	to								
811.	to								
<b>900. Items required by lender to be paid in advance:</b>				Borrower POC/Seller POC					
901. Interest from	to	⊕	/day						
902. Mortgage insurance premium for	months to								
903. Hazard insurance premium for	years to								
904. Flood insurance premium for	years to								
905.	years to								
<b>1000. Reserves deposited with lender:</b>				Borrower POC/Seller POC					
1001. Hazard insurance	months ⊕	per month							
1002. Mortgage insurance	months ⊕	per month							
1003. City property taxes	months ⊕	per month							
1004. County property taxes	months ⊕	per month							
1005. Annual assessments	months ⊕	per month							
1006. Flood insurance	months ⊕	per month							
1007.	months ⊕	per month							
1008.	months ⊕	per month							
<b>1009. Aggregate accounting adjustment</b>									
<b>1100. Title charges:</b>				Borrower POC/Seller POC					
1101. Settlement or closing fee	to								
1102. Abstract or title search	to	Attorneys' Title Insurance Fund, Inc.				250.00			
1103. Title examination	to								
1104. Title insurance binder	to								
1105. Legal Fees: Closing	to	William Rambaum & Associates, PA				1,500.00			
1106. Legal Fees: Conveyance	to	William Rambaum & Associates, PA				500.00			
1107. Attorney's Fees	to								
(includes above item numbers: )									
1108. Title Insurance	to	William Rambaum & Associates, PA				6,773.50			
(includes above item numbers: )									
1109. Lender's coverage (Premium):	\$1,409,332.63/\$250,000.00 (\$117.50)								
1110. Owner's coverage (Premium):	\$1,632,332.63 (\$6,656.00)								
1111. Endorse: 5.1-50; 8.1-50; F9-1,354.70; NSE-1,354.70						2,809.40			
1112.	to								
1113.	to								
<b>1200. Government recording and transfer charges:</b>									
1201. Recording fees	Deed	Mortgage(s)	Releases						
1202. City/county tax/stamps	Deed	Mortgage(s)							
1203. State tax/stamps	Deed	\$11,426.80	Mortgage(s)			11,426.80			
1204. Misc. Recording Fees	to	William Rambaum & Associates, PA				250.00			
1205. Misc. Recording	to								
<b>1300. Additional settlement charges:</b>				Borrower POC/Seller POC					
1301. Corporate Certificates	to	CSC Networks				350.00			
1302. Second Mortgage Holdback	to					250,000.00			
1303.	to								
1304.	to								
1305.	to								
1306.	to								
1307.	to								
1308.	to								
1309.	to								
<b>1400. Total settlement charges</b>						273,859.70		0.00	

(Enter on lines 103, Section J and 502, Section K)

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Thornbury RRH, Ltd., a Florida Limited Partnership  
By: THA, LLC, a Florida Limited Liability Company, and  
General Partner of Thornbury RRH, Ltd.

Lake Placid, Ltd., a Florida Limited Partnership  
By: Lake Placid LLC, a Florida Limited Liability Company,  
and General Partner of Lake Placid, Ltd.

*Thomas F. Flynn* Borrower  
Thomas F. Flynn - Borrower, Manager, THA, LLC

*Thomas F. Flynn* Seller  
Thomas F. Flynn - Seller, Manager, Lake Placid, Ltd.

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused, or will cause, the funds to be disbursed in accordance with this statement.

William Rambaum & Associates, PA  
By: *William Rambaum*  
As its Authorized Representative

*10/30/06*  
Date