Housing Finance Authority of Manatee County
("HFAMC")

Credit Underwriting Report

Tax-Exempt Multifamily Mortgage Revenue Note
("MMRN" or "Note")

Reef at Riviera Apartments

Section A: Report Summary

Section B: MMRN Loan Conditions

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

FINAL REPORT

April 7, 2020

Reef at Riviera Apartments

TABLE OF CONTENTS

Section A

Report Summary

Recommendation

First Housing Development Corporation of Florida ("First Housing" or "FHDC") recommends a tax-exempt Multifamily Mortgage Revenue Note ("MMRN") in the amount not to exceed $31,000,000 to finance the new construction and permanent financing of Reef at Riviera Apartments ("Subject" or "Development").

DEVELOPMENT & SET-ASIDES

Development Name: Reef at Riviera Apartments

Address: 751 Haben Boulevard

City: Palmetto Zip Code: 34221 County: Manatee County Size: Medium

Development Category: New Construction Development Type: Mid-Rise (5-6 Stories)

Construction Type: wood frame

Demographic Commitment:

Primary: Elderly: 55+ or 62+ for 100% of the Units

North Port – Bradenton - Sarasota MSA / Manatee County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	112	635	60%			$861	$67	$ 794		$ 794	$ 794	$ 794	$ 1,067,136
2	1.5	20	1,058	60%			$1,033	$72	$ 961		$ 961	$ 961	$ 961	$ 230,640
2	2.0	72	926	60%			$1,033	$72	$ 961		$ 961	$ 961	$ 961	$ 830,304
3	2.0	20	1,286	60%			$1,194	$79	$ 1,115		$ 1,115	$ 1,115	$ 1,115	$ 267,600
		224	184,672											$ 2,395,680

- One-bedroom units range from 635 sf – 802 sf, two-bedroom units range from 926 sf – 1,102 sf, and three-bedroom units were all 1,286 sf.

- Utility Allowances included above were provided by the Developer from an energy consumption study. This study was submitted to Florida Housing Finance Corporation's ("FHFC") staff on March 12, 2020, and receipt of the approval is a condition of closing.

- First Housing used the recently published HUD 2020 maximum allowable rents, as summarized above. In the event the above stated rents are not approved and published on the FHFC website as stated in the Credit Underwriting Report ("CUR") prior to closing, a cash escrow will be required to collateralize the shortfall in loan proceeds to maintain a 1.10x based on 2019 stated rents or such approved 2020 stated rents.

Buildings:	Residential - 1	Non-Residential - 0	
Parking:	Parking Spaces - 257	Accessible Spaces - 8	

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC	100.0%	224	60%	30
MMRN	100.0%	224	60%	20

Absorption Rate: 25 units per month for 9.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%

DDA:	No	QCT:	No	Multi-Phase Boost:	N/A	QAP Boost:	N/A
Site Acreage:	6.28	Density:	35.7000			Flood Zone Designation:	X
Zoning:	Planned Development (PD-H)					Flood Insurance Required?:	No

DEVELOPMENT TEAM		% Ownership
Applicant/Borrower:	Palmetto Leased Housing Associates I, LLLP	
General Partner	The Partnership, Inc.	0.0100%
Limited Partner	STCC Palmetto Leased Housing Associates I, LLC	99.9800%
Limited Partner	Palmetto Leased Housing Associates LP I, LLC	0.0100%
Special LP	CDC Special Limited Partner, L.L.C.	0.0000%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Dominium Holdings I, LLC	
CC Guarantor 2:	Dominium Holdings II, LLC	
CC Guarantor 3:	The Partnership, Inc.	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Dominium Holdings I, LLC	
OD Guarantor 2:	Dominium Holdings II, LLC	
OD Guarantor 3:	The Partnership, Inc.	
Note Purchaser	Truist/Freddie Mac	
Developer:	Palmetto Leased Housing Development I, LLC	

DEVELOPMENT TEAM (cont)	
General Contractor 1:	CB-Dominium, LLC
Management Company:	Dominium Florida Management Services, LLC
Syndicator:	SunTrust Community Capital, LLC ("STCC")
Architect:	Bessolo Design Group, Inc.
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")
Appraiser:	CBRE Valuation & Advisory Services ("CBRE")

PERMANENT FINANCING INFORMATION

	1st Source
Lien Position	First
Lender/Grantor	HFAMC/Truist/ Freddie Mac
Amount	$26,750,000
Underwritten Interest Rate	3.92%
All In Interest Rate	3.92%
Loan Term	15
Amortization	35
Market Rate/Market Financing LTV	76%
Restricted Market Financing LTV	85%
Loan to Cost - Cumulative	49%
Debt Service Coverage	1.11
Operating Deficit Reserve	$586,520
# of Months covered by the Reserves	5.0

Deferred Developer Fee	$7,550,910
As-Is Land Value	$2,600,000
Market Rent/Market Financing Stabilized Value	$35,400,000
Rent Restricted Market Financing Stabilized Value	$31,500,000
Projected Net Operating Income (NOI) - Year 1	$1,611,650
Projected Net Operating Income (NOI) - 15 Year	$2,008,710
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Private Placement/Freddie Mac Tax-Exempt Loan
Housing Credit (HC) Syndication Price	$0.96
HC Annual Allocation - Equity Letter of Interest	$2,084,153

CONSTRUCTION/PERMANENT SOURCES:

Source	Lender	Construction	Permanent	Perm Loan/Unit
Tax Exempt Note	HFAMC/Truist/Freddie Mac	$31,000,000	$26,750,000	$119,420
Equity Bridge Loan	Western Bank	$13,500,000	$0	$0
Florida Voluntary Cleanup Tax Credits	Clocktower Tax Credits	$0	$476,210	$2,126
Housing Credit Equity	STCC	$3,000,580	$20,003,865	$89,303
Deferred Developer Fee	Palmetto Leased Housing Development I, LLC	$7,280,405	$7,550,910	$33,709
Deferred GC Fee	CB-Dominium, LLC	$0	$0	$0
TOTAL		$54,780,985	$54,780,985	$244,558

<u>Changes from the Housing Finance Authority of Manatee County Application:</u>

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	X	
Are all funding sources the same as shown in the Application?		1.
Are all local government recommendations/contributions still in place at the level described in the Application?	N/A	
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?		2.
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	
Is the Development in all other material respects the same as presented in the Application?		3-4.

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

1. The Voluntary Clean-Up Tax Credit (“VCTC”) Source was not included in the Application, however was provided during credit underwriting. This source will come in during the permanent phase and is estimated at an amount up to $723,468.60 based on a price of $.90 per credit per a proposal from Clocktower Tax Credits, dated March 17, 2020. The Developer is estimating they will need $476,210 to balance the Sources and Uses.

The Developer requested a bond amount of $26,000,000 at the time of the application. Costs have increased since the application and they are requesting an increase in the Tax-Exempt MMRN up to $31,000,000 in conjunction with the approval of this CUR. A Bond Resolution, adopted October 8, 2019 has been provided that states an aggregate principal amount of $31,000,000.

2. The Total Development Cost ("TDC") has increased $11,753,656 from $43,027,329 to $54,780,985 or 27.3% since the Application. This increase is due to an increase in total construction costs, FF&E, Solar Array, Financial Costs, and Developer Fees.

3. The number of units in the proposed Development has changed from 222 to 224 since the Application. The request for approval for this change is being requested in conjunction with the approval of this CUR.

4. The name of the proposed Development has changed from Palmetto Senior to Reef at Riviera Apartments. This change was approved at the HFAMC February 11, 2020 Board meeting.

<u>Strengths</u>:

1. The Principals, Development team, General Contractor and Management Company are experienced in affordable multifamily housing.

2. The Principals have substantial financial resources to build and operate the proposed Development.

3. Colliers prepared a Market Study for the Development, dated February 13, 2020. Overall, the Development site is considered to be a good residential site in terms of its location, exposure, and access to employment, education and shopping centers. All of these characteristics make it desirable for multifamily use development.

4. Colliers concluded that within the Primary Market Area ("PMA"), the senior LIHTC rent supply had a weighted average occupancy of 99%, while the occupancy rates among the directly competing LIHTC rent properties had a weighted average of 98.6%. The six conventional properties had a combined occupancy of 95.2%. The weighted average occupancy of all apartments within the PMA is 97%.

Waiver Requests/Special Conditions:

1. A request to waive personal guarantees per a memo, dated February 10, 2020, was approved by staff at the February 11, 2020 meeting.

2. A request to modify the affordability term from 50 years to 20 years was approved by staff at the February 12, 2019 meeting with the condition the term would include an additional 3 year conversion period.

Additional Information:

1. The Applicant has applied to Truist Bank to provide construction and first mortgage permanent funding pursuant to the Freddie Mac Tax-Exempt Loan Program. The Funding Loan is requested pursuant to any Federal, State or Local requirements concerning the proposed tax-exempt private activity allocation and/or the Low Income Housing Tax Credit requirements. The Funding Loan will be originated by Truist Bank on behalf of the HFAMC ("Government Lender") for subsequent purchase by and delivery to Freddie Mac at conversion. The proceeds of the Funding Loan will be used by HFAMC to fund a mortgage loan with matching economic terms ("Project Loan") to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of HFAMC secured solely by receipts and revenues from the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the MMRN structure, the Funding Loan replaces the purchase by Freddie Mac of the tax exempt note.

2. The Developer has executed a construction contract with a joint venture General Contractor ("GC"). The contract is between Palmetto Leased Housing Associates I, LLLP ("Owner") and CB-Dominium, LLC ("Contractor" and "joint venture entity"). The joint venture is between Dominium Construction & Architectural Services, LLC ("DCAS") and Current Builders, Inc. The joint venture entity will, in turn, subcontract the construction of the building shell to CB Structures, Inc., an affiliated company of Current Builders Construction Services, Inc. The Developer is seeking a waiver of FHFC's rule 67-21.026 (13) (g), FAC so that its joint venture entity may subcontract with CB Structures, Inc. The anticipated subcontractor value of the wholly owned subsidiary, CB Structures, Inc. is $6,388,589. This represents the construction costs for the cast-in-place concrete and structural wood framing scopes of work. The overall contract amount is $33,455,093.62;

therefore, the affiliated subcontractor would represent 19.10% of the overall contract amount, or 22.14% of the Cost of Work ($28,859,083).

3. First Housing used the recently released HUD 2020 maximum allowable rents to calculate Net Operating Income ("NOI") in this CUR. In the event the 2020 stated rents utilized in the CUR are not published on the FHFC website prior to closing, a cash escrow will be required to collateralize the shortfall in loan proceeds to maintain a 1.10x based on 2019 stated rents or such approved 2020 stated rents.

4. The Development is designed to be constructed above the Base Flood Elevation (BFE). The Project will qualify for a Letter of Map Revision with Fill (LOMR-R). The building will be constructed on an elevated "island" above the BFE. The Developer cannot obtain a LOMR-F prior to closing since the application requires Elevation Certificates. These will be performed as soon as the building slab is poured, which is currently projected to be poured July 2020.

5. This Development is a proposed one building 5-story building with two elevators; therefore, The Fair Housing Act applies to every unit, as all 224 units will be accessible by elevators.

<u>Issues and Concerns:</u>

1. A Phase II report was conducted by Braun Intertec ("Braun") on August 13, 2019. It was concluded that additional investigation was needed to delineate the extent to the arsenic impacted soil that was identified at the site. The Florida Department of Environmental Protection ("FDEP") provides options for managing impacted soil during redevelopment. An additional Environmental Investigation was conducted by Braun on October 16, 2019, to further define and delineate the arsenic impacts at the Site, including determining arsenic concentrations in the soil to be excavated for the proposed pond construction, determining if the shallow groundwater is impacted with arsenic, and to determine the arsenic leaching potential to groundwater. A Soil Management Plan ("SMP"), dated January 3, 2020 was prepared and submitted to the FDEP for review. Per a letter dated March 19, 2020, the FDEP reviewed a Supplemental Site Assessment Report dated March 2, 2020, which referenced the SMP dated January 3, 2020 regarding the removal of the soil for reuse on-site as fill material to be located beneath engineering controls consisting of caps (pavement or foundations) or two feet of clean fill material. The FDEP did not object to the proposed source removal and had several comments that needed to be addressed within sixty days from completion of the Interim Source Removal event, by no later than June 26, 2020, at

which time a Site Assessment Status Report detailing the activities conducted to address the comments need to be submitted.

Recommendation:

First Housing recommends Tax-Exempt MMRN in the amount of $31,000,000 for the construction and permanent financing of the Development.

This recommendation is 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 MMRN loan Conditions (Section B).

This recommendation is only valid for six months from the date of the report.

The reader is cautioned to refer to these sections for complete information.

Prepared by:	Reviewed by:
Eileen Jones-Yarish	Ed Busansky
Senior Credit Underwriter	Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Tax Exempt Note	HFAMC/Truist/Freddie Mac	$23,344,000	$31,000,000	$31,000,000	3.38%	$1,047,800
Equity Bridge Loan	Western Bank	$10,398,345	$12,949,189	$13,500,000	2.79%	$376,650
Housing Credit Equity	STCC	$2,436,334	$2,992,176	$3,000,580	N/A	N/A
Deferred Developer Fee	Palmetto Leased Housing Development I, LLC	$5,029,489	$7,818,264	$7,280,405	N/A	N/A
Deferred GC Fee	CB-Dominium, LLC	$0	$1,427,854	$0	N/A	N/A
Total		$41,208,169	$56,187,483	$54,780,985		$1,424,450

First Mortgage:

First Housing reviewed a letter of proposal from Truist Bank, dated August 28, 2019, indicating Truist Bank will provide a construction loan in an amount up to $28,500,000. An email from Truist Bank on March 31, 2020, confirmed the loan amount has been increased to $31,000,000 with all other terms remaining consistent with the term sheet provided. The loan term will be thirty-six (36) months from loan closing, with one 6-month extension option for a fee of 0.25%. The interest rate of the construction loan will be variable and paid monthly based on the one-month London Interbank Offered Rate ("LIBOR") rate plus a 220 basis point spread. The construction loan interest is calculated based on the one-month LIBOR rate of 0.93%, as of March 20, 2020, plus a 220 basis points spread, and a 25 basis points underwriting cushion for an all-in rate of 3.38%. This proposal is based on the assumption that upon construction completion and stabilization the construction loan will be repaid using a Forward Freddie Mac TEL in an amount up to $26,750,000 (increased amount confirmed by email from Truist), and the balance will be repaid with LIHTC Equity.

Equity Bridge Loan:

First Housing reviewed a letter of proposal from Western Bank, dated February 18, 2020, indicating Western Bank will provide an equity bridge loan. The loan will be up to $13,500,000.

The term of the loan will be thirty (30) months with an available six (6) month extension term. The interest rate will be variable and paid monthly, based on the 30 day Treasury Rate, plus a margin of 2.50%. For underwriting purposes, a rate of 2.79% was used, based on a March 20, 2020, Treasury rate of 0.04%, plus a 2.50% spread, plus an underwriting cushion of 25 basis points.

Housing Credit Equity:

First Housing has reviewed a letter of interest, August 26, 2019, indicating SunTrust Community Capital, LLC, will acquire a 99.98% ownership interest in the Applicant. CDC Special Limited Partner, L.L.C., an affiliate of STCC, will be a Special Limited Partner ("SLP") of the Partnership. The "SLP" will have certain rights and remedies, including the right to remove the General Partner for uncured defaults. The SLP will not have any percentage ownership. Palmetto Leased Housing Associates LP I, LLC, an affiliate of Dominium Holdings I, LLC and Dominium Holdings II, LLC, will act as a Class B Limited Partner with rights, powers and obligations defined in the Partnership Agreement. STCC will be admitted as an Investor Member with a 99.98% interest in exchange for a total capital contribution in the amount of $20,003,865, payable in four (4) installments. The tax credit price is $0.96 per dollar of housing credits. The first installment in the amount of $3,000,580 equals 15% of the total equity, which satisfies the FHFC requirements that 15% of the equity be funded at or prior to closing.

Deferred Developer Fee:

The Developer will be required to defer $7,280,405 or 91.6% of the total Developer Fee of $7,946,612 during the construction period.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Tax Exempt Note	HFAMC/Truist/Freddie Mac	$20,250,000	$26,750,000	$26,750,000	15	35	3.92%	$1,405,945
Florida Voluntary Cleanup Tax Credits	Clocktower Tax Credits	$0	$476,210	$476,210	N/A	N/A	N/A	N/A
Housing Credit Equity	STCC	$16,242,228	$19,947,837	$20,003,865	N/A	N/A	N/A	N/A
Deferred Developer Fee	Palmetto Leased Housing Development I, LLC	$0	$7,818,054	$7,550,910	N/A	N/A	N/A	N/A
Deferred GC Fee	CB-Dominium, LLC	$0	$1,195,382	$0	N/A	N/A	N/A	N/A
Total		$36,492,228	$56,187,483	$54,780,985				$1,405,945

First Mortgage:

First Housing has reviewed a letter of interest from Truist Bank, dated July 25, 2019, to provide a Funding Loan during the permanent period. The Funding Loan up to $26,500,000 is to provide a forward funding Freddie Mac TEL to the Development, subject to final underwriting. Based on an email from Truist Bank, dated March 31, 2020, the current loan amount has been increased to $26,750,000, other revisions include the spread has been increased to 225 basis points and the treasury floor has been reduced from 1.84% to 1.42%. The loan amount is not to exceed 90% of the loan-to-value with a minimum 1.15x debt service coverage ratio requirement. The Funding Loan has a term of 15 years loan conversion and will be amortized over a 35–year schedule with monthly payments of principal and interest. The estimated interest rate is based on a 225 basis points spread (based on revised terms) over the 10-year Treasury. For purposes of the credit underwriting, First Housing has used the underwriting floor of 1.42%, plus a 225 basis point spread, plus a 25-basis point credit underwriting cushion, for an interest rate of 3.92% during the permanent period.

Voluntary Clean-Up Tax Credits:

The Voluntary Clean-Up Tax Credit is a program administrated by the FDEP relating to the cleanup of contaminated sites. Developments that have Brownfield Site Rehabilitation Agreements ("BSRA") executed by the FDEP qualify for this tax credit. First Housing reviewed a Letter of Interest from Clocktower Tax Credits ("Clocktower"), dated March 17, 2020. The Florida VCTC would be sold at an expected net price-per-credit rate of $0.90 per dollar of FL VCTC's. Based on the soft environmental costs in 2019 of $53,854 and expected site rehabilitation expenditures of over $1,000,000 or more in 2020, the project can expect to receive approximately $26,000 in FL VCTC's, and approximately $500,000, plus up to an additional $250,000 in FL VCTC as an affordable housing bonus. For the purpose of this CUR, the credit underwriter used the Developer's conservative amount of $476,210, as the credits have not been sold to date.

Housing Credit Equity:

First Housing has reviewed a letter of interest, August 26, 2019, indicating SunTrust Community Capital, LLC. STCC will be admitted as an Investor Member with a 99.98% interest in exchange for a total capital contribution in the amount of $20,003,865, payable in four (4) installments. The tax credit price is $0.96 per dollar of housing credits. The first installment in the amount of $3,000,580 equals 15% of the total equity, which satisfies the FHFC requirements that 15% of the equity be funded at or prior to closing.

Based on a letter of interest dated August 26, 2019, STCC will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	$3,000,580	15.00%	Will be paid at closing which shall be predicated upon admission of the Investor and Special Limited Partner to the Partnership, the closing and funding of the bridge loan and bonds, and receipt and approval of all due diligence requested by STCC including, without limitation, evidence of the Project's eligibility for LIHTC. In the event that any portion of Capital Contribution #1 is not needed at closing, the excess will be disbursed via a monthly draw process.
2nd Installment	$14,929,970	74.64%	Upon the later of 1) 100% construction completion, 2)receipt of 42(M) letter from FHFC, 3) receipt of all CO's, 4) receipt of satisfactory Alta as-built survey, and 5) satisfactory radon testing. This capital contribution is reserved first to pay down the SunTrust Construction Loan to the Permanent Debt conversion amount, the Supplemental Equity Bridge loan, STCC Equity Bridge Loan and Cash Developer Fee if funds are available.

3rd Installment	$709,591	3.55%	Upon the later of 1) receipt of the executed IRS 8609's for all buildings in the Project, 2) receipt of cost cert prepared by the accountants and determination of the amount of LIHTC, 3) consecutive calendar months at pro forma rents, 4) achievement of average debt service coverage ratio of 115% for three (3) consecutive calendar months on average, so long as the most recent month is operating at a 1.15x debt service coverage, calculated with a 5% vacancy rate, 5) Final closing, 6) recording of an "extended low-income housing commitment", and 7) Cash Developer Fee if funds are available.
4th Installment	$1,363,724	6.82%	Upon the latest to occur, 1) 1/1/23, 2) receipt of executed 8609's for all buildings in the Project, 3) to pay Operating Deficit Reserve and Debt Service Reserves and Cash Developer Fee, if funds are available.
Total	$20,003,865	100.00%	

Annual Credit Per Syndication Agreement	$2,084,153
Calculated HC Exchange Rate	$0.96
Limited Partner Ownership Percentage	99.98%
Proceeds Available During Construction	$3,000,580

Deferred Developer Fee:

In order to balance the sources and uses of funds during the permanent phase, the Developer must defer $7,550,910 or 95.0% of the total Developer Fee or $7,946,612.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Rental Units	$24,314,286	$28,859,083	$28,859,083	$128,835
Furniture, Fixture, & Equipment	$222,000	$0	$0	$0
Constr. Contr. Costs subject to GC Fee	$24,536,286	$28,859,083	$28,859,083	$128,835
General Conditions	$0	$1,731,545	$1,731,545	$7,730
Overhead	$0	$577,182	$577,182	$2,577
Profit	$1,215,714	$1,731,545	$1,731,545	$7,730
General Liability Insurance	$0	$555,739	$555,739	$2,481
Total Construction Contract/Costs	$25,752,000	$33,455,094	$33,455,094	$149,353
Hard Cost Contingency	$1,276,500	$1,644,968	$1,644,968	$7,344
PnP Bond paid outside Constr. Contr.	$0	$215,000	$215,000	$960
FF&E paid outside Constr. Contr.	$0	$336,000	$336,000	$1,500
Other: Solar Array	$0	$276,800	$276,800	$1,236
Total Construction Costs:	**$27,028,500**	**$35,927,862**	**$35,927,862**	**$160,392**

Note to the Total Construction Costs:

1. The Applicant has provided an executed construction contract dated March 18, 2020, in the aggregate amount of $33,455,093.62. This is a Standard Form of Agreement between Palmetto Leased Housing Associates, I, LLLP ("Owner") and CB-Dominium, LLC ("Contractor") where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price. Per the contract, substantial completion is to be achieved by no later than 540 calendar days (18 months) from the Date of Commencement. The Owner will make monthly progress payments to the Contractor, based upon Applications for Payment approved by the Architect. A minimum of 10% retainage holdback is required until the project is 50% complete, at which time retainage will be reduced to 5%.

2. First Housing utilized the Schedule of Values to breakout the construction costs.

3. The General Contractor ("GC") fee of $4,040,271.62 is within the maximum 14% of hard costs allowed. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process.

4. Hard Cost Contingency (excluding General Liability Insurance) is 5% of the total construction costs as allowed for new construction developments.

5. The Applicant has budgeted for P&P Bonds to secure the construction contract.

6. The Solar Array line item is for the design, procurement, and installation of the solar array.

7. The following Allowances are for items which have not been fully developed or identified at the time of the GMP, which account for 2.26% of the GMP, which is below the 5% to 10% of the typical expected range:

Unit Pavers	$10,147
Connection of Downspouts to Underground Drainage	$116,456
Irrigation System	$81,531
Retaining Walls/Site Walls	$21,183
Landscaping	$376,298
Site Fencing	$152,700
Total	**$758,315**

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	$16,000	$16,000	$16,000	$71
Appraisal	$8,500	$8,500	$8,500	$38
Architect's Fee - Site/Building Design	$529,035	$703,437	$703,437	$3,140
Architect's Fee - Supervision	$111,000	$131,700	$131,700	$588
Building Permits	$0	$250,000	$250,000	$1,116
Builder's Risk Insurance	$127,650	$158,520	$158,520	$708
Engineering Fees	$100,000	$110,000	$110,000	$491
Environmental Report	$5,000	$241,235	$241,235	$1,077
FHFC Administrative Fees	$139,481	$187,048	$187,574	$837
FHFC Application Fee	$3,330	$3,000	$3,000	$13
FHFC Credit Underwriting Fee	$30,000	$30,117	$12,908	$58
FHFC Compliance Fee	$0	$102,162	$158,128	$706
Impact Fee	$1,074,080	$1,027,756	$1,027,756	$4,588
Lender Inspection Fees / Const Admin	$12,000	$0	$0	$0
Insurance	$31,302	$31,640	$31,640	$141
Legal Fees - Organizational Costs	$195,000	$195,000	$195,000	$871
Market Study	$15,000	$28,510	$27,010	$121
Marketing and Advertising	$0	$168,000	$168,000	$750
Plan and Cost Review Analysis	$0	$0	$6,500	$29
Property Taxes	$28,039	$0	$0	$0
Soil Test	$5,000	$8,000	$8,000	$36
Survey	$12,500	$12,500	$12,500	$56
Title Insurance and Recording Fees	$194,700	$256,089	$256,089	$1,143
Soft Cost Contingency	$315,796	$25,000	$185,984	$830
Other: Submittal Exchange	$0	$6,195	$6,195	$28
Other: Imputed Expenses	$268,112	$0	$0	$0
Total General Development Costs:	**$3,221,525**	**$3,700,408**	**$3,905,675**	**$17,436**

Note to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.

2. First Housing has utilized actual costs for: Credit Underwriting, Market Study, as well as Plan and Cost Analysis ("PCA").

3. The FHFC Administrative Fee is based on 9% of the expected annual housing credit allocation of $2,084,153.

4. FHFC Compliance Fee of $158,128 is based on the compliance fee calculator spread sheet provided by FHFC.

5. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Cost less the soft cost contingency.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Origination Fee	$151,736	$310,000	$310,000	$1,384
Construction Loan Interest	$2,095,321	$3,253,854	$1,760,304	$7,859
Permanent Loan Application Fee	$0	$0	$18,725	$84
Permanent Loan Origination Fee	$140,335	$183,755	$267,500	$1,194
Permanent Loan Closing Costs	$1,072,037	$656,500	$469,500	$2,096
Bridge Loan Origination Fee	$0	$97,119	$101,250	$452
Bridge Loan Closing Costs	$30,000	$0	$0	$0
Bridge Loan Interest	$121,337	$259,829	$259,829	$1,160
Local HFA Note Application Fee	$0	$108,675	$31,000	$138
Local HFA Note Underwriting Fee	$0	$0	$15,117	$67
Local HFA Note Cost of Issuance	$0	$150,000	$282,350	$1,260
Misc Loan Closing Costs	$0	$63,000	$63,000	$281
Placement Agent/Underwriter Fee	$0	$45,000	$45,000	$201
Other: Takover Fee & Start up Expenses	$0	$93,986	$93,986	$420
Other: Ownership DD and Ownership Fee	$0	$225,000	$225,000	$1,004
Other: Up front Issuer fee	$0	$186,000	$371,755	$1,660
Total Financial Costs:	**$3,610,766**	**$5,632,717**	**$4,314,316**	**$19,260**
Dev. Costs before Acq., Dev. Fee & Reserves	**$33,860,791**	**$45,260,987**	**$44,147,853**	**$197,089**

Notes to the Financial Costs:

1. Construction Loan Commitment Fee is based on 1% of the loan amount as outlined in the letter from Truist Bank, dated August 28, 2019.

2. Construction Loan interest is based on a construction loan amount of $31,000,000 at a 0.56% usage at an interest rate of 3.38% over a 36 month term.

3. Permanent Loan Application Fee is based on 0.07% of the loan amount or $3,000 as outlined in the letter from Truist Bank, dated July 25, 2019.

4. Permanent Loan Closing costs line item includes: Lender Due Diligence ($22,500), Lender Legal ($55,000), Application Fee – Servicer ($18,550), Application Fee – Freddie ($18,725), TEL Conversion Costs – ($15,000), Construction Monitoring Fee ($18,725), Forward Standby Fee – 10bp per year ($53,500), and Rate Lock Fee – Forward Commitment Fee ($267,500).

5. Permanent Loan Placement fee is based on 1% of the loan amount, as outlined in the letter from Truist Bank, dated August 28, 2019.

6. Equity Bridge Loan Origination Fee is based on 0.75% of the loan amount, as outlined in the letter from Western Bank, dated February 18, 2020.

7. Local HFA Note Cost of Issuance line item includes: Financial Advisor Fee & Development Feasibility Analysis Fee ($55,500), Tax-Exempt MMRN ($67,000), Issuer Fee – 25bp ($77,500), Admin Fee – 10bps – First Installment ($31,000), Issuer Counsel ($39,000), Fiscal Agent Fee ($6,350), Fiscal Agent Counsel ($6,000).

8. An upfront Issuer fee of 10bps is based on a discounted rate of 2.75% in the amount of $371,755. This may need to be placed in escrow and not released until after construction, per bond counsel guidance on yield restrictions.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee on Non-Land Acq. Costs	$0	$0	$0	$0
Total Non-Land Acquisition Costs:	**$0**	**$0**	**$0**	**$0**

Note to the Non-Land Acquisition Costs:

None

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	$6,563,491	$8,260,430	$7,946,612	$35,476
Total Other Development Costs:	**$6,563,491**	**$8,260,430**	**$7,946,612**	**$35,476**

Note to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of total development cost before Developer Fee, Operating Deficit Reserves (“ODR”), and escrows.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land Acquisition Cost	$2,100,000	$2,100,000	$2,100,000	$9,375
Total Acquisition Costs:	**$2,100,000**	**$2,100,000**	**$2,100,000**	**$9,375**

Note to Land Acquisition Costs:

1. First Housing reviewed a Purchase Agreement, dated November 20, 2018, between Riviera West LLC, ("Seller") and Dominium Acquisition, LLC ("Buyer"). According to the agreement, the purchase price is $2,100,000. An Assignment and Assumption of Purchase Agreement, dated March 15, 2019, was also reviewed. The Agreement was between Dominium Acquisition, LLC ("Assignor"), and Palmetto Leased Housing Associates I, LLLP ("Assignee"). First Housing also reviewed an Amendment to Purchase Agreement, dated December 13, 2019, between Riviera West LLC, ("Seller"), and Palmetto Leased Housing Associates I, LLLP ("Buyer"). A second Amendment to the Purchase Agreement, dated December 20, 2019, between Riviera West LLC, ("Seller"), and Palmetto Leased Housing Associates I, LLLP ("Buyer") was also reviewed, which had a closing date of 120 days following Buyer's receipt of a fully executed Brownfield Site Rehabilitation Agreement related to the Property, which includes a Site Access Agreement by the Seller for the benefit of the Buyer and the State of Florida Department of Environmental Protection, but in any event no later than July 31, 2020.

2. First Housing reviewed an Appraisal of the Development prepared by CBRE, dated March 10, 2020 (Report Date), which estimated the "as is" land value at $2,600,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserve (Syndicator)	$184,501	$566,066	$586,520	$2,618
Debt Service Coverage Reserve (Syndicator)	$318,546	$0	$0	$0
Total Reserve Accounts:	**$503,047**	**$566,066**	**$586,520**	**$2,618**

Notes to Total Development Costs:

1. The Operating Deficit Reserve ("ODR") is required by Truist. The ODR is in the amount of $586,520.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	$43,027,329	$56,187,483	$54,780,985	$244,558

Notes to Total Development Costs:

1. The Total Development Costs have increased a total of $11,753,656 or 27.3% from $43,027,329 to $54,780,985 since the Application. The reason for the increase is the increase in units from 222 to 224 and all costs associated with the additional units. Additional increased costs include: Solar Array, FF&E, and Developer Fee.

Operating Pro Forma – Reef at Riviera Apartments

	FINANCIAL COSTS:			Year 1	Year 1 Per Unit
	OPERATING PRO FORMA				
INCOME:	Gross Potential Rental Income			$2,395,680	$10,695
INCOME:	Other Income				
INCOME:	Miscellaneous			$87,832	$392
INCOME:	Washer/Dryer Rentals			$87,494	$391
INCOME:	Gross Potential Income			$2,571,006	$11,478
INCOME:	Less:				
INCOME:	Physical Vac. Loss	Percentage:	4.00%	$102,840	$459
INCOME:	Collection Loss	Percentage:	1.00%	$25,710	$115
	Total Effective Gross Income			$2,442,456	$10,904
EXPENSES:	Fixed:				
EXPENSES:	Real Estate Taxes			$44,083	$197
EXPENSES:	Insurance			$126,560	$565
EXPENSES:	Other				$0
EXPENSES:	Variable:				
EXPENSES:	Management Fee	Percentage:	4.00%	$97,698	$436
EXPENSES:	General and Administrative			$44,800	$200
EXPENSES:	Payroll Expenses			$246,400	$1,100
EXPENSES:	Utilities			$84,224	$376
EXPENSES:	Marketing and Advertising			$7,840	$35
EXPENSES:	Maintenance and Repairs/Pest Control			$89,600	$400
EXPENSES:	Grounds Maintenance and Landscaping			$22,400	$100
EXPENSES:	Reserve for Replacements			$67,200	$300
	Total Expenses			$830,805	$3,709
	Net Operating Income			$1,611,650	$7,195
	Debt Service Payments				
	First Mortgage - Truist/Freddie Mac			$1,405,945	$6,277
	First Mortgage Fees - HFAMC			$51,919	$232
	Total Debt Service Payments			$1,457,864	$6,508
	Cash Flow after Debt Service			$153,787	$687
	Debt Service Coverage Ratios				
	DSC - First Mortgage plus Fees			1.11x	
	DSC - All Mortgages and Fees			1.11x	
	Financial Ratios				
	Operating Expense Ratio			34.02%	
	Break-even Economic Occupancy Ratio (all debt)			89.22%	

Note to the Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions. However, this Development will be utilizing Housing Credits in conjunction with the MMRN financing, which will impose rent restrictions.

2. First Housing used the recently released HUD 2020 maximum allowable rents, as summarized below. In the event the HUD 2020 stated rents in the CUR are not published on the FHFC website prior to closing, a cash escrow will be required to collateralize the shortfall in loan proceeds to maintain a 1.10x based on 2019 stated rents or such approved 2020 stated rents.

North Port – Bradenton - Sarasota MSA / Manatee County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	112	635	60%			$861	$67	$ 794		$ 794	$ 794	$ 794	$ 1,067,136
2	1.5	20	1,058	60%			$1,033	$72	$ 961		$ 961	$ 961	$ 961	$ 230,640
2	2.0	72	926	60%			$1,033	$72	$ 961		$ 961	$ 961	$ 961	$ 830,304
3	2.0	20	1,286	60%			$1,194	$79	$ 1,115		$ 1,115	$ 1,115	$ 1,115	$ 267,600
		224	184,672											$ 2,395,680

3. The Vacancy and Collection loss rate of 5% is based on the Appraisal's estimate, which is acceptable by the underwriter.

4. Other Income is comprised of tenant charges, laundry/vending, cable, satellite, utilities revenue, interior storage lockers, and carports and garages. Total Other Income of $783 per unit/per year is supported by the Appraisal.

5. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and the First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.

6. The Subject budgeted data reflects a full tax exemption due to the ownership being a non-profit entity. However, if the property were to be owned by a for-profit entity a full tax burden would be applicable. Due to the assumption that the property would qualify for a full Ad Valorem tax exemption, only the Non-ad Valorem tax burden would be applicable for the Development. The real estate taxes are assumed to be exempt due to a "Homes for Aged "exemption Under Florida Statue 196.1975. The Applicant's counsel is in the process of drafting their opinion. Receipt of the opinion letter is a condition to close.

7. The Applicant has submitted a draft Management Agreement between Palmetto Leased Housing Associates I, LLLP and Dominium Florida Management Services, LLC. The management is based on 3.25% of the gross collected income. The Credit Underwriter utilized $98,269 as it represents 4.0% of gross income collected during the month.

8. The landlord is responsible for natural gas and trash expenses at the property. The tenant will be responsible for water/sewer and electric costs.

9. Replacement Reserves of $300 per unit per year are required. Based on the LOI, dated August 26, 2019, from Truist, Replacement Reserves will be required in the amount equivalent to $250 per unit per year (increased annually by 3.00%) or such greater amount as may be required by the lenders.

10. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses are increasing at an annual rate of 3%.

Section B

MMRN loan Conditions

April 7, 2020

Special Conditions

This recommendation is contingent upon the review and approval of the following items by HFAMC, its Counsel, and First Housing **at least 30 days prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the Note pricing date and/or closing date. For competitive Note sales, these items must be reviewed and approved prior to issuance of the notice of Note sale:

1. Satisfactory receipt and review of updated financials within 90 days of closing, or audited financials for the last fiscal year end for the Guarantors.

2. Approval of Utility Allowance energy consumption study submitted to FHFC staff on March 12, 2020.

3. Receipt and review of a final dated and executed Management Agreement with terms consistent with this report.

4. Receipt and review of the final dated and executed Management Plan.

5. Receipt of the final Plan and Cost Analysis (to include review of final construction contract dated March 18, 2020), as prepared by Partner Engineering and Science, Inc., and satisfactory to First Housing.

6. Receipt and review of updated Appraisal with revised unit mix as prepared by CBRE satisfactory to First Housing.

7. Receipt and satisfactory review of final signed, sealed "approved for construction" plans and specifications by the Construction Consultant and the Servicer.

8. Receipt and satisfactory review of firm loan commitments from Truist Bank and Freddie Mac which indicate first mortgage loan terms that are consistent with this report.

9. In the event the 2020 HUD published rents utilized in this CUR are not published on the FHFC website prior to closing, a cash escrow (in an estimated amount of $2,750,000) will be required to collateralize the shortfall in loan proceeds to maintain a 1.10x based on 2019 stated rents or such approved stated rents.

10. Receipt and satisfactory review of detailed design drawings or specs for swimming pool.

11. Receipt of Applicant's counsel's opinion letter verifying the Development will meet the requirements under Florida Statute 196.1975.

12. Any other reasonable requirements of the Servicer, HFAMC, or its legal counsel.

General Conditions:

The First Mortgage Tax-Exempt Note recommendation contained within this Credit Underwriting Report is contingent upon receipt and satisfactory review of the following items by the HFAMC and/or its Servicer prior to closing. Failure to submit and to receive approval of these may result in postponement of the Closing.

1. Payment of any outstanding arrearages to HFAMC, its legal counsel, or the Servicer.

2. Partner is to act as construction inspector during the construction phase.

3. At all times there will be undisbursed loan funds (collectively held by HFAMC, the first mortgage lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development Costs or to deposit additional equity with HFAMC which is sufficient (in HFAMC's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to HFAMC in its sole discretion.

4. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

   Once the Developer has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

5. Signed and sealed survey, dated within 90 days of loan closing, unless otherwise approved by HFAMC, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to HFAMC, 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 HFAMC.

6. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

7. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications, if applicable.

8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided.

9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw must include appropriate backup and ACH wiring instructions.

10. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting HFAMC as Loss Payee/Mortgagee, with coverage, deductibles, and amounts satisfactory to HFAMC.

11. A 100% Payment and Performance Bond or a Letter of Credit (LOC) in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the GC and the Borrower. In either case, HFAMC must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co with a financial size category of at least FSC VI. FHFC, and/or legal counsel must approve the source, amount(s) and all terms of the P&P bonds, or LOC. If the LOC option is utilized, the LOC must include "evergreen" language and be in a form satisfactory to HFAMC, its Servicer and its Legal Counsel.

12. Award of HC and purchase of HC by Truist or an affiliate under terms consistent with the assumptions of this report.

13. The FVCTC will be purchased by Clocktower Tax Credits or an affiliate under terms consistent with the assumptions of this report.

14. An updated Phase I Environmental Site Assessment together with a reliance letter to First Housing as an agent for HFAMC, prepared within 180 days of closing, unless otherwise approved by HFAMC, and legal counsel, based on upon the particular circumstances of the transaction, if applicable. Borrower to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessments, if applicable.

15. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by Partner.

16. At the end of the compliance period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay HFAMC debt; if there is no HFAMC loan debt on the Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding HFAMC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amount to the Applicant or the Developer from the Reserve account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations. Any and all terms and conditions of the ODR must be acceptable to HFAMC, its Servicer, and its legal counsel.

17. HFAMC and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. HFAMC shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.

18. UCC Searches for the Borrower, its partnerships, as requested by counsel.

19. Approval of Utility Allowances provided by the Developer from an energy consumption study submitted to FHFC staff on March 12, 2020 is a condition of closing.

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

1. The operating agreement from Truist or an affiliate shall be in a form and of financial substance satisfactory to HFAMC, HFAMC's Counsel and FHDC.

2. All amounts necessary to complete construction must be deposited with the Fiscal Agent prior to closing, or any phased HC Equity pay-in amount necessary to complete construction shall be contingent upon an obligation of the entity providing payments, regardless of any default under any documents relating to the HC's, as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 15% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by the Credit Underwriter) shall be deposited with the Fiscal Agent at the MMRN loan closing unless a lesser amount is approved by HFAMC prior to closing. If bridge loan proceeds are used in lieu of HC equity funding during construction, said loan must close simultaneously or prior to the MMRN loan, and sufficient amounts will be drawn from the bridge loan at MMRN loan closing in order to satisfy the 15% requirement.

3. Guarantors to provide the standard HFAMC Construction Completion Guarantee, to be released upon lien-free completion, as approved by the Servicer.

4. For the Note, Guarantors are to provide the standard HFAMC Operating Deficit Guarantee. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guarantee if all conditions are met, including achievement of a 1.15x debt service coverage ratio on the MMRN loan as determined by the Corporation or its agent and 90 percent occupancy and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all certified by an independent Certified Public Accountant, and verified by the Credit Underwriter. The calculation of the debt service coverage ratio shall be made by the Corporation or its agent. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.

5. Guarantors to provide the Standard HFAMC Environmental Indemnity.

6. Guarantors to provide the Standard HFAMC Guaranty of Recourse Obligations.

7. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Fiscal Agent, or the Servicer. In the event the reserve account is held by HFAMC's Loan(s) servicing agent, the release of funds shall be at HFAMC's sole discretion.

8. Replacement Reserves in the amount of $300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or HFAMC's Loan(s) servicing agent.

9. The GC contract indicates a minimum of 10% retainage holdback until the project is 50% complete, at which time retainage will be reduced to 5% thereafter, which satisfies the minimum requirement.

10. Closing of all funding sources prior to or simultaneous with the Tax-Exempt Note.

11. Any other reasonable requirements of the Servicer, HFAMC, or its legal counsel.

Section C

Supporting Information & Schedules

April 7, 2020

Additional Development & Third Party Supplemental Information

Site Inspection:	First Housing conducted a site inspection on February 7, 2020. The Development is located in a residential neighborhood. Residential areas are to the south and west and there is one apartment complex to the west. There are several automotive/construction/manufacturing businesses in the immediate area. There is shopping, schools and the county fairgrounds within 3 miles of the subject site. Major roadways are within a half mile of the Development site.
Appraised Value:	First Housing reviewed an Appraisal of Reef at Riviera Apartments, dated March 10, 2020 (Report Date), prepared by CBRE Valuation & Advisory Services. ("CBRE"). The estimated land value is $2,600,000. The Subject's leased fee interest hypothetical as stabilized with restrictions and tax exemptions (2020 rents) as of February 17, 2020 is $31,500,000. The Subject's leased fee interest hypothetical as stabilized without restrictions as of February 17, 2020 is $35,400,000. The Market Valuation was signed and certified by M. Allan Brown, MAI, Vice President of CBRE, Florida State Certified General Real Estate Appraiser license number is RZ3516.
Market Study:	Colliers International ("Colliers") prepared a market study for Reef at Riviera Apartments, dated February 13, 2020. The Site is located on a 6.280 acre site at 751 Haben Boulevard in Palmetto, Florida. The Development is a proposed Senior (62+) Multi-Family property that will operate under the Low Income Housing Tax Credit ("LIHTC") program. Based on Colliers analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the region, it is our opinion that the subject developments will remain competitive. The Subject site is convenient to public transit stops and to Interstate 75. The North Port-Sarasota-Bradenton employment sectors are well diversified but concentrated primarily in construction, manufacturing, trade/transportation and utilities, and education/health service. Medical care is easily accessed from the site, and public safety services are stationed nearby. The number of grocery stores, restaurants and retail

stores in the subject neighborhood is acceptable, and the area offers opportunities for entertainment and cultural enrichment.

Reef at Riviera Apartments features one five-story mid-rise building. The community amenities include: covered entrance, lobby, lounge, fitness center, clubroom, card/craft room, salon, theater room, business center, library, garages, swimming pool, spa, cabanas, bocce ball court, corn hole court and outdoor grilling areas. Unit amenities include: full appliance package (w/o microwave), ceiling heights are 8' to 9' throughout, washer/dryer hook-ups, patio/balconies, and walk-in closets. The project will offer ample unit amenities that will be competitive with the existing housing market.

The Primary Market Area (PMA) is the geographical area from which proposed subject Development will draw tenants from. This Sarasota/Bradenton Site PMA consists of nearly all of Bradenton, Samoset and the eastern portion of central Manatee County. Colliers identified 6 conventional housing projects containing a total of 6,114 units within the Site PMA. These rentals have a combined occupancy rate of 95.2%.

Colliers identified six LIHTC properties within the Sarasota/Bradenton Site PMA, comprised of 1,028 units. The directly competing LIHTC rent properties had a weighted average of 98.6%.

The six selected LIHTC properties and the subject Development as proposed are Grand Palms, Bayou Oaks, Tuscany Lakes, The Oaks at Ellenton, River Trace and Centre Court. The six LIHTC projects have a combined occupancy rate of 99%, indicating very strong demand for affordable housing in the market.

Colliers has estimated an average absorption rate for the Development property of an average of 25 units per month for new senior restricted communities in the market area.

Colliers performed a search for Guarantee funded developments. As of the effective date of the Market Study, there are no Guarantee Funded properties identified in Manatee County.

The Development's Capture Rates within a five-mile radius for the 60% income band are 11.6%. The Development is appropriate relative to the number of income-qualified renter households.

Households increased by 8,479, or 15.0%, between 2010 and 2019 estimates. In 2024, 70,593 households will reside in the Site PMA, which represents an increase of 13,999 (21.5%) above 2019 levels. This growth of approximately 1,696 households annually over the next five years reflects the need for new housing. Based on the demographic analysis it is Colliers opinion that the subject market area has sufficient households within the income band necessary for low-income housing.

Business and industry in Manatee County include retail, manufacturing, education medical and other services. Education and healthcare represents a significant share of the overall employment in the Bradenton area.

Based on First Housing's calculations, the Development's achievable average market rents will be 129% greater than the Development's average 60% AMI LIHTC rents. As required by FHFC, the average market rental in the submarket based on unit mix and annualized rent concessions is 110% or greater of the applicable maximum housing credit rental rate.

Environmental Report: First Housing reviewed a Phase I Environmental Site Assessment ("ESA") dated May 29, 2019, prepared by Braun Intertec Corporation ("Braun") and prepared in conformance with the scope and limitations of ASTM Practice. E 1527-13 and 40 Code of Federal Regulations (CFR) Part 312. The purpose of the Phase I was to evaluate the Site for indication of recognized environmental conditions.

The Site is an approximately six acre 'L' shaped property located on the west side of Haben Drive southwest of the intersection of Haben Drive and Highway 30/10th Street East. The site is currently undeveloped land covered with vegetation, some dense brush, small trees, and some low-lying wetland areas. Some surficial debris, concrete rubble, and landscape timbers were present on the Site.

REA's assessment has revealed no evidence of recognized environmental conditions (RECs) with the exception of the following:

- The site surrounding the area was developed around 1940 for agricultural use (i.e. an orange/grove), which continued until the mid to late 1950's. This type of agricultural activity typically used pesticides and other chemicals as part of routine operations. Structures, apparently related to these activities, were present on the center south part of the Site from at least 1940 until sometime between 1957 and 1962. There is a potential that residual pesticide-related contamination could remain at the Site related to the past agricultural use as an orange grove/orchard. This potential represents a recognized environmental condition.

The report did not identify any controlled recognized environmental conditions or historical recognized environmental conditions.

Braun also provided a draft Phase II report dated August 13, 2019. Based on the results of the Phase II ESA, the following conclusions ae provided:

- Field monitoring of soil from the hand auger borings identified no visual or olfactory evidence of contamination.

- Laboratory analysis identified arsenic and low levels of various organochlorine pesticides at the Site. The concentrations of the identified organochlorine pesticide were below the FDEP Direct Exposure-Residential SCTLs.

- The arsenic concentrations from seven samples exceeded the FDEP Direct Exposure-Residential SCTL. The seven samples containing arsenic at concentrations greater than the Residential SCTL using EPA Method 6020 are SS-2 (0-6"), SS-5 (6"- 2'), SS-6 (6" – 2'), SS-7 (both depth intervals) and SS-8 (both depth intervals).

Recommendations:

- Additional investigation to delineate the extent of the arsenic impacted soil should be conducted prior to construction.

- Arsenic at concentrations above the FDEP residential standard has been identified in the soil at the Site. The FDEP provides options for managing impacted soil during redevelopment. These options can include 1) excavation and disposal of the impacted soil or 2) placement of engineering controls. Excavation and disposal would require a minimum of a two-foot cut in the arsenic-impacted areas. Engineering controls would include cap and cover of impacted areas with at least two feet of clean soil, pavement or other hardscape (e.g. building slabs, sidewalks, etc.). Use of such engineering controls would require approval by the FDEP.

- Braun Intertec recommends that a soil management plan be prepared to provide procedures for the management of arsenic-impacted soil that will be encountered during redevelopment. The SMP would outline the appropriate management procedures for either the removal of impacted soil or placement of engineering controls to be implemented during redevelopment for addressing the arsenic-impacted areas of the Site.

- The SMP should be submitted to the FDEP for review and approval prior to the start of construction. Upon implementation of an approved SMP, it is anticipated that FDEP will provide a No Further Action (NFA) letter for the arsenic in soil at the Site. The FDEP may also require groundwater analysis or further analysis of soil samples to evaluate leachability potential as a condition of the NFA. If engineering controls are selected as the management option for the elevated arsenic soil, FDEP will require that a deed restriction be placed on the property stipulating that if subgrade construction activities are ever implemented at the Site, workers will be notified that impacted soil is present and proper controls and protective measures are followed.

- An SMP report, dated January 3, 2020 was submitted to the FDEP on March 2, 2020. A letter from the FDEP dated March 19, 2020 stated they did not object to the proposed source removal with certain stipulations to be completed within sixty days from completion of the Interim Source Removal event, no later than June 26, 2020 in conjunction with submitting a Site Assessment Status Report detailing the activities conducted.

Soil Test Report: A subsoil investigation was conducted by Geotechnical Engineering Services Report on July 23, 2019. The recommended site preparation program involves the densification of the subgrade foundation surfaces to compress loose surface soils, as well as subgrade soils disturbed by other site preparation procedures, creating a more uniform and less yielding soil mass. The project structural engineer should be made aware of anticipated settlements that were found in the testing and should asses the effects, if any, that these settlements will have on the proposed building. Additional site preparation will be required, which includes a surcharge program or, alternatively, ground modification, the site soils will be capable of supporting the anticipated structural loads on a conventional shallow foundation system. The recommended site preparation program involves the densification the subgrade foundation surfaces to compress loose surface soils, as well as subgrade soils disturbed by other site preparation uniform settlement of the structure, thereby reducing the incidence and magnitude of differential settlement.

Plan and Cost Review: First Housing reviewed a Plan and Cost Analysis ("PCA") of Reef at Riviera Apartments, dated March 2, 2020, prepared by Partner Engineering and Science, Inc. ("Partner"). The proposed Development will consist of 224 apartment units situated in one five-story walk/up elevator garden-style building, with a two-story central amenities and site improvements. The building will be configured in a double-loaded 'open donut' shape in a north-south orientation, with a central courtyard opening toward the east. The courtyard will contain an in-ground pool, game area, an open pavilion, and barbeque areas.

According to Partner a set of civil, architectural drawings, structural drawings, and mechanical/plumbing drawings were received. The provided drawings are not sealed or signed, indicating certification by the architect and the drawings comply with Florida Building Code, the Florida Accessibility Code, the Age Discriminations Act of 1975, The Americans with Disabilities Act (ADA), and the Fair Housing

Amendments Act (FHAA). A complete set of signed and sealed drawings should be provided as soon as they become available.

A schedule of values ("SOV") provided by Current Builders, dated January 14, 2020, states the SOV totals $33,455,093.62 or $49,353 per unit. Partner believes the hard cost contingency will be insufficient for this project and recommends owner confirmation that contingency reserve will be raised to 5%.

A draft AIA Document A102-2017 Cost Plus with a Guaranteed Maximum Price has been provided for review by Partner. An executed version has since been provided to Partner to review, which is a condition of this report. The Agreement is not dated and has not been signed by either party. Owner is identified as Palmetto Leased Housing Associates I, LLLP and Contractor is identified as Reef at Riviera Apartments GC Joint Venture (no address shown). Partner notes that all other references to the Contractor observed in the provided documents identify Contractor as Current Builders, of Pompano Beach, FL. All exhibits except for C and D were provided for review. The separately-provided preliminary construction schedule (file dated 2/4/2020) shows a 540-day (approximately 18 months) duration from date of NTP (noted as April 20, 2020) to Owner acceptance of all floors.

A January 14, 2020 Schedule Of Value authored by Current Builders was provided. The SOV totals $33,455,093.62 or $130.84 per gross square foot of building area (255,697 GSF) and $149,353 per apartment (224 units). Partner's estimated costs are $32,782,499, or $128.21 per GSF and $146,350 per apartment, a variance of 2.0%, which is within an acceptable range when performing conceptual cost analysis reports as this.

Exhibit E contains the following list of Allowances:

Unit Pavers	$10,147
Connection of Downspouts to Underground Drainage	$116,456
Irrigation System	$81,531
Retaining Walls/Site Walls	$21,183
Landscaping	$376,298
Site Fencing	$152,700
Total	**$758,315**

Partner identified the following committed Features and Amenities are not provided in the plans:

- Swimming Pool shown in site plans; no detail design drawings or specs shown.

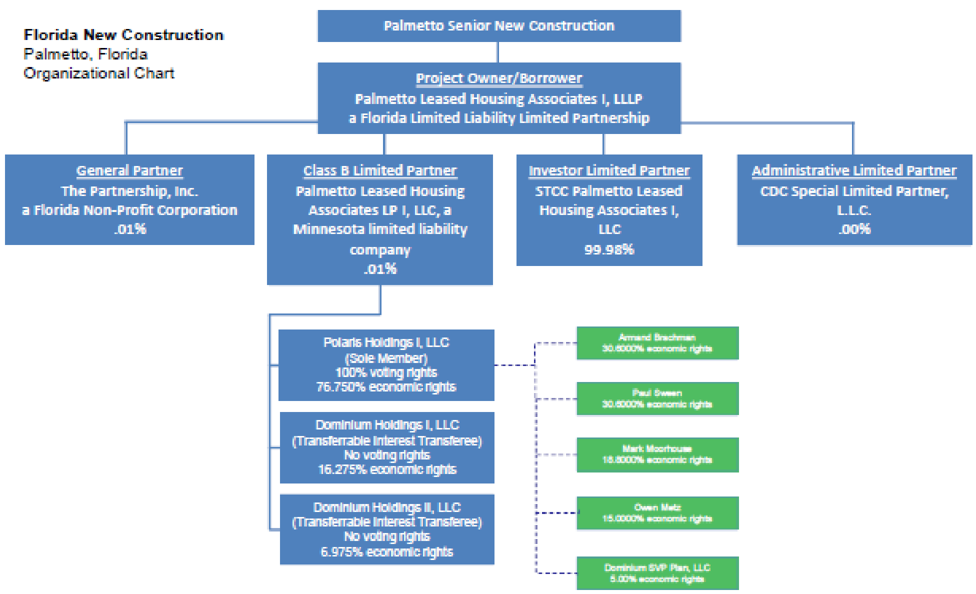
Applicant Information

Applicant: Palmetto Leased Housing Associates I, LLLP

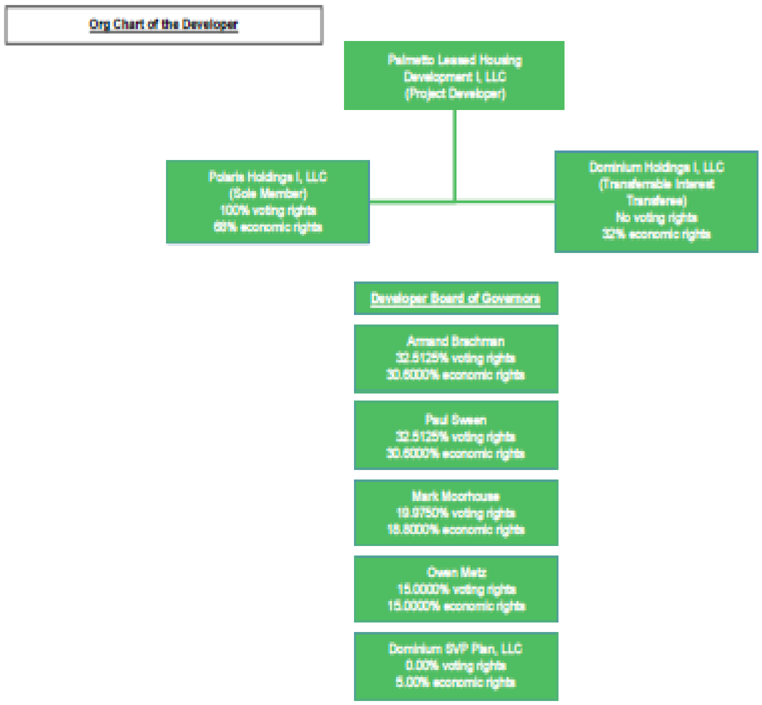
FEI Number: 83-3769800

Type: A Florida Limited Liability Limited Partnership

Ownership Structure: The Applicant was formed on February 27, 2019; the General Partner, with 0.01% interest in the Applicant is The Partnership, Inc. which was formed on April 18, 1996. The Developer is Palmetto Leased Housing Development I, LLC, which has Polaris Holdings I, LLC as the sole member (100% voting rights/65% economic rights).



Developer Entity:



Contact Person:

Owen Metz
2905 Northwest Blvd, Suite #150
Plymouth, MN 55441
(763) 354-5500 Telephone
Ometz@dominiuminc.com

Experience: The Applicant and Developer were created to construct, own, and operate the Development, but have no development experience. Palmetto Leased Housing Associates I, LLLP is a newly formed single purpose entity. Therefore, they do not have a history of real estate owned, audited financial statements or tax returns.

Credit Evaluation: The Applicant and Class B Limited Partner are newly formed single purpose entities; therefore, a Dun and Bradstreet Report is not available.

First Housing has reviewed a Dun & Bradstreet Business Information Report, dated August 15, 2019, for The Partnership, Inc. This report revealed no bankruptcy, 1 suit (last filed 11/22/17), two UCCs, and low to moderate risk of severe financial stress.

First Housing has reviewed a Dun & Bradstreet Business Information Report, dated January 15, 2020 for Dominium Holdings I, LLC. This report revealed no bankruptcy, and low to moderate risk of severe financial stress.

First Housing has reviewed a Dun & Bradstreet Business Information Report, dated March 18, 2020 for Dominium Holdings II, LLC. This report revealed no bankruptcy, and low to moderate risk of severe financial stress.

Bank/Trade References: Satisfactory Bank Statements were provided for The Partnership, Inc., Dominium Holdings I, LLC. and Dominium Holdings II, LLC. First Housing received a statement indicating the Applicant and General Partner entities have no deposit or trade accounts.

Financial Statements: The Applicant is a newly formed single purpose entity; therefore, financial statements and tax returns are not available. First Housing reviewed the following financial statements:

The Partnership, Inc. Unaudited Balance Sheet June 30, 2019	
Cash in the Bank	$172,897
Total Assets	$13,141,706
Total Liabilities	$170,433
Total Equity	$12,971,273

First Housing has also reviewed 2018 and 2017 Tax Returns for The Partnership, Inc. According to the certification of multifamily ownership and loan history statement, cash flow at Seven Courts in Atlanta, GA is very tight, and the debt outstanding on this property is in forbearance. The property was already behind on its mortgage payments when The Partnership, Inc. acquired its ownership interest. Discussions are currently ongoing between the owners and the lender, GHFA, regarding what will or may occur with the property and/or the debt on 12/31/2022. The loan is nonrecourse loan. There is no contingent liability to The Partnership, Inc.

First Housing reviewed a satisfactory Statement of Financial/Credit Affairs for The Partnership, Inc. and executed by Hugh Jacobs, dated March 31, 2020, The Partnership, Inc. is the current GP and or LP in 3 properties that the debt on the properties is currently in forbearance. The loans are nonrecourse loans, therefore there is no contingent liability to The Partnership, Inc. On a separate property they were admitted as a substitute GP and Property Manager on December 30, 2011. The construction loan had been in default since 2009 and had never been converted to a permanent loan. In 2018, the property was foreclosed and sold on the courthouse steps. They remain as the Property Manager for the property.

Dominium Holdings I, LLC Consolidated Financial Statement December 31, 2019	
Cash and Cash Equivalents	$18,654,483
Total Assets	$205,849,156
Total Liabilities	$0
Total Equity	$205,849,156

Dominium Holdings I, LLC is a Minnesota limited liability company. It was organized to provide guarantees on projects owned by affiliates of Dominium Development & Acquisition. It is governed and managed by Paul Sween, Armand Brachman and Mark Moorhouse, and it is wholly owned by Polaris Holdings I, LLC. I is a disregarded entity for income tax purposes. First Housing received a letter, dated March 16, 2020, indicating that this entity is formed as a pass-through entity and therefore does not file annual Tax Returns.

First Housing reviewed a satisfactory Statement of Financial/Credit Affairs for Dominium Holdings I, LLC and executed by Mark S. Moorhouse, dated June 19, 2019.

Dominium Holdings II, LLC Un-audited Balance Sheet December 31, 2019	
Cash and Cash Equivalents	$4,601,749
Total Assets	$53,884,636
Total Liabilities	$0
Total Equity	$53,884,636

Dominium Holdings II, LLC is a Minnesota limited liability company. It was organized to provide guarantees on projects owned by affiliates of Dominium

Development & Acquisition. It is governed and managed by Paul Sween, Armand Brachman and Mark Moorhouse, and it is wholly owned by Dominium Holdings I, LLC, which in turn is wholly owned by Polaris Holdings I, LLC. First Housing received a letter, dated March 16, 2020, indicating that this entity is formed as a pass-through entity and therefore does not file annual Tax Returns.

First Housing reviewed a satisfactory Statement of Financial/Credit Affairs for Dominium Holdings I, LLC and executed by Mark Moorhouse on June 19, 2019.

First Housing reviewed a satisfactory Statement of Financial/Credit Affairs for Dominium Holdings II, LLC and executed by Mark Moorehouse on March 17, 2020.

Contingent Liabilities: Dominium Holdings I, LLC provided a schedule of contingent liabilities as of December 31, 2019, which included $807,588,636 in loan guarantees, $269,591,017 in tax credit guarantees and $90,823,894 in operating deficit guarantees for a total contingent liability obligation of $1,168,003,547.

Dominium Holdings II, LLC provided a schedule of contingent liabilities as of December 31, 2019, which included approximately $833,570,407 in loan guarantees, $297,356,343 in tax credit guarantees and $83,987,559 in operating deficit guarantees for total contingent liabilities of $1,214,914,309.

The Partnership, Inc provided a schedule of contingent liabilities as of March 31, 2020, which reported no contingent liabilities.

Summary: Based upon its review of the Financial Statements and the Schedule of Contingent Liabilities, First Housing concludes that the Developer team has the requisite financial strength and experience to construct and operate the Development.

Guarantor Information

Guarantor Name:	Dominium Holdings I, LLC, Dominium Holdings II, LLC and The Partnership, Inc.
Nature of the Guarantees:	The Guarantors will sign standard HFAMC Construction Completion, Environmental Indemnity, Recourse Obligation, and Operating Deficit Guarantees. The Construction Completion Guarantee will be released upon 100% lien free completion as approved by the Servicer. For the MMRN, Guarantors are to provide the standard HFAMC Operating Deficit Guarantee. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guarantee if all conditions are met, including achievement of a 1.15x debt service coverage ratio on the MMRN loan as determined by the Corporation or its agent and 90 percent occupancy and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all certified by an independent Certified Public Accountant, and verified by the Credit Underwriter. The calculation of the debt service coverage ratio shall be made by the Corporation or its agent. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.
Financial Statements:	Financial Statements for the Guarantors were summarized in the "Applicant Information" section of this credit underwriting report.
Contingent Liabilities:	Contingent Liabilities for the Guarantors were summarized in the "Applicant Information" section of this credit underwriting report.
Summary:	Based upon review of the financial statements and contingent liabilities, First Housing concludes that the above referenced Guarantors have sufficient net worth for the purpose of collateralizing the HFAMC Guarantees.

General Contractor Information

General Contractor:	CB-Dominium, LLC
Type:	A Florida Limited Liability Company
Contact:	Scott David Remer, General Contractor (Florida Certified General Contractor License Number CGC1520922 is valid through August 31, 2020) 2905 NW Blvd, Suite 150 Minneapolis, MN 55441
Experience:	CB-Dominium, LLC, is a newly formed joint venture between the principals of Current Builders, Inc. ("Current Builders") and Dominium Construction & Architectural Services. Current Builders was established in 1972 and has built over 45,000 multi-family units, 15 million square feet of office/industrial space and 250,000 square feet of retail. From Senior Living to student living, village halls and community centers to luxury auto vaults. Current Builders is consistently ranked for construction volume in the state of Florida by South Florida Business Journal and Engineering News Record. Current Builders has been a major player in the multi-family-residential market for more than four decades. With projects spanning the State of Florida and a diverse portfolio of luxury high-rise, mid-rise, wrap and garden apartment product, affordable, senior living and student housing, Current Builders serves Class "A" Clients from all facets of the development community.
P&P Bond:	A 100% P&P Bond will be provided and is a contingency to this report in order to secure the construction contract between the GC and the Applicant.
Credit Evaluation:	First Housing has reviewed a Dun & Bradstreet Business Information Report, dated March 19, 2020 for Current Builders Inc. This report revealed no bankruptcy, no law suits, and no UCCs. Additionally, the report revealed moderate risk of financial stress.
References:	First Housing has received three satisfactory trade references for Current Builders. A bank reference has been requested, but a response has not yet been received.

Financial Statements: The General Contractor provided an unaudited statement for Current Builders Construction Services, Inc., dated December 31, 2019, which is summarized below:

Current Builders Construction Services, Inc. Unaudited Balance Sheet December 31, 2019	
Cash and Equivalents	$10,915,456
Total Assets	$61,966,685
Total Liabilities	$52,152,396
Total Equity	$9,814,289

Summary: First Housing recommends that CB-Dominium, LLC be accepted as the contractor for the construction of this development. A 100% Payment and Performance Bond will be required.

Syndication Information

Syndicator Name:	SunTrust Community Capital, LLC
Contact Person:	Donna Kelce, Senior Vice President 200 South Orange Avenue, 7th Floor Orlando, Florida 32801 (407) 237-5019 Telephone Donna.kelce@suntrust.com
Experience:	SunTrust Community Capital, LLC makes tens of thousands of loans, totaling billions of dollars, to low or moderate-income families and in low and moderate-income communities to purchase and rehabilitate their homes, and to small businesses that help drive local economies.
Financial Statements:	First Housing has received and reviewed Form 10-K for Suntrust Community Capital, LLC and the consolidated balance sheet is summarized below. Suntrust Community Capital LLC is a subsidiary of Suntrust Banks, Inc.

Suntrust Banks, Inc. Consolidated Balance Sheet (Dollars in millions) September 30, 2019	
Cash and Cash Equivalents	$7,844
Total Assets	$227,368
Total Liabilities	$200,879
Equity	$26,489

Summary:	STCC has demonstrated that it has the experience and financial strength to serve as the syndicator for this Development.

Property Management Information

Management Company:	Dominium Florida Management Services, LLC
FEI:	45-3479570
Contact:	David Chadwick Vice President Dominium Florida Management Services, LLC 2905 Northwest Blvd, Suite 150 Plymouth, MN 55441 Phone 763-354-5500 dchadwick@Dominiuminc.com
Experience:	Dominium Florida Management Services, LLC was formed on September 13, 2011, and is an affiliate of Dominium Management Services, LLC, which has over 40 years of experience in managing affordable housing projects. Founded in 1972 by David Brierton and Jack Safar, Dominium is now the second largest affordable apartment development and management company in the nation. Created as a family of companies (Dominium Development and Acquisition, LLC/Dominium Management Services, LLC), Dominium utilizes a variety of real estate disciplines throughout the development and acquisition process. Dominium has grown substantially over the past several years by becoming a leader in the real estate industry. Since 1991, Dominium has grown from a company with 3,000 apartment units to a company that now owns over 30,000 apartment units.
Management Agreement:	First Housing reviewed a Draft Management Agreement between Palmetto Leased Housing Associates, I, LLLP ("Owner") and Dominium Florida Management Services, LLC ("Agent"). The agreement indicates a management fee of 3.25% of the gross monthly collections (rental and non-housing income) of the development. The Agent shall also be entitled to receive an annual compliance fee, which shall be $50 per unit per year escalating annually at 3%. Non-Discrimination.

Management Plan:	The applicant has submitted a Draft Management Plan, which outlines the various policies and procedures to be implemented in managing the subject development.
Summary:	The management company has an acceptable amount of experience in the management of affordable multifamily housing. First Housing recommends Dominium Florida Management Services, LLC as the management entity in the subject development.

15-Year Proforma

FINANCIAL COSTS:	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
OPERATING PRO FORMA															
INCOME:															
Gross Potential Rental Income	**$2,395,680**	**$2,443,594**	**$2,492,465**	**$2,542,315**	**$2,593,161**	**$2,645,024**	**$2,697,925**	**$2,751,883**	**$2,806,921**	**$2,863,059**	**$2,920,321**	**$2,978,727**	**$3,038,302**	**$3,099,068**	**$3,161,049**
Miscellaneous	$87,832	$89,589	$91,380	$93,208	$95,072	$96,974	$98,913	$100,891	$102,909	$104,967	$107,067	$109,208	$111,392	$113,620	$115,892
Washer/Dryer Rentals	$87,494	$89,244	$91,029	$92,849	$94,706	$96,600	$98,532	$100,503	$102,513	$104,563	$106,655	$108,788	$110,964	$113,183	$115,446
Gross Potential Income	**$2,571,006**	**$2,622,426**	**$2,674,875**	**$2,728,372**	**$2,782,940**	**$2,838,598**	**$2,895,370**	**$2,953,278**	**$3,012,343**	**$3,072,590**	**$3,134,042**	**$3,196,723**	**$3,260,657**	**$3,325,870**	**$3,392,388**
Less:															
Physical Vac. Loss Percentage: 4.00%	$102,840	$104,897	$106,995	$109,135	$111,318	$113,544	$115,815	$118,131	$120,494	$122,904	$125,362	$127,869	$130,426	$133,035	$135,696
Collection Loss Percentage: 1.00%	$25,710	$26,224	$26,749	$27,284	$27,829	$28,386	$28,954	$29,533	$30,123	$30,726	$31,340	$31,967	$32,607	$33,259	$33,924
Total Effective Gross Income	**$2,442,456**	**$2,491,305**	**$2,541,131**	**$2,591,954**	**$2,643,793**	**$2,696,668**	**$2,750,602**	**$2,805,614**	**$2,861,726**	**$2,918,961**	**$2,977,340**	**$3,036,887**	**$3,097,624**	**$3,159,577**	**$3,222,768**
EXPENSES:															
Fixed:															
Real Estate Taxes	$44,083	$45,405	$46,768	$48,171	$49,616	$51,104	$52,637	$54,217	$55,843	$57,518	$59,244	$61,021	$62,852	$64,737	$66,679
Insurance	$126,560	$130,357	$134,268	$138,296	$142,444	$146,718	$151,119	$155,653	$160,322	$165,132	$170,086	$175,189	$180,444	$185,858	$191,433
Variable:															
Management Fee Percentage: 4.00%	$97,698	$99,652	$101,645	$103,678	$105,752	$107,867	$110,024	$112,225	$114,469	$116,758	$119,094	$121,475	$123,905	$126,383	$128,911
General and Administrative	$44,800	$46,144	$47,528	$48,954	$50,423	$51,935	$53,494	$55,098	$56,751	$58,454	$60,207	$62,014	$63,874	$65,790	$67,764
Payroll Expenses	$246,400	$253,792	$261,406	$269,248	$277,325	$285,645	$294,214	$303,041	$312,132	$321,496	$331,141	$341,075	$351,307	$361,847	$372,702
Utilities	$84,224	$86,751	$89,353	$92,034	$94,795	$97,639	$100,568	$103,585	$106,692	$109,893	$113,190	$116,586	$120,083	$123,686	$127,396
Marketing and Advertising	$7,840	$8,075	$8,317	$8,567	$8,824	$9,089	$9,361	$9,642	$9,931	$10,229	$10,536	$10,852	$11,178	$11,513	$11,859
Maintenance and Repairs/Pest Control	$89,600	$92,288	$95,057	$97,908	$100,846	$103,871	$106,987	$110,197	$113,503	$116,908	$120,415	$124,027	$127,748	$131,581	$135,528
Grounds Maintenance and Landscaping	$22,400	$23,072	$23,764	$24,477	$25,211	$25,968	$26,747	$27,549	$28,376	$29,227	$30,104	$31,007	$31,937	$32,895	$33,882
Reserve for Replacements	$67,200	$67,200	$67,200	$67,200	$67,200	$67,200	$67,200	$67,200	$67,200	$67,200	$69,216	$71,292	$73,431	$75,634	$77,903
Total Expenses	**$830,805**	**$852,736**	**$875,306**	**$898,533**	**$922,436**	**$947,035**	**$972,352**	**$998,406**	**$1,025,220**	**$1,052,816**	**$1,083,233**	**$1,114,539**	**$1,146,760**	**$1,179,924**	**$1,214,058**
Net Operating Income	**$1,611,650**	**$1,638,568**	**$1,665,825**	**$1,693,421**	**$1,721,357**	**$1,749,633**	**$1,778,250**	**$1,807,208**	**$1,836,506**	**$1,866,145**	**$1,894,107**	**$1,922,348**	**$1,950,864**	**$1,979,653**	**$2,008,710**
Debt Service Payments															
First Mortgage - Truist/Freddie Mac	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945	$1,405,945
First Mortgage Fees - HFAMC	$51,919	$51,547	$51,161	$50,759	$50,341	$49,906	$49,454	$48,984	$48,496	$47,987	$47,459	$46,909	$46,338	$45,743	$45,125
Total Debt Service Payments	**$1,457,864**	**$1,457,492**	**$1,457,106**	**$1,456,704**	**$1,456,286**	**$1,455,851**	**$1,455,399**	**$1,454,929**	**$1,454,440**	**$1,453,932**	**$1,453,403**	**$1,452,854**	**$1,452,282**	**$1,451,688**	**$1,451,070**
Cash Flow after Debt Service	**$153,787**	**$181,076**	**$208,719**	**$236,717**	**$265,071**	**$293,782**	**$322,851**	**$352,279**	**$382,066**	**$412,213**	**$440,703**	**$469,494**	**$498,582**	**$527,965**	**$557,641**
Debt Service Coverage Ratios															
DSC - First Mortgage plus Fees	**1.11**	**1.12**	**1.14**	**1.16**	**1.18**	**1.20**	**1.22**	**1.24**	**1.26**	**1.28**	**1.30**	**1.32**	**1.34**	**1.36**	**1.38**
DSC - All Mortgages and Fees	**1.11**	**1.12**	**1.14**	**1.16**	**1.18**	**1.20**	**1.22**	**1.24**	**1.26**	**1.28**	**1.30**	**1.32**	**1.34**	**1.36**	**1.38**
Financial Ratios															
Operating Expense Ratio	**34.02%**	**34.23%**	**34.45%**	**34.67%**	**34.89%**	**35.12%**	**35.35%**	**35.59%**	**35.83%**	**36.07%**	**36.38%**	**36.70%**	**37.02%**	**37.34%**	**37.67%**
Break-even Economic Occupancy Ratio (all debt)	**89.22%**	**88.30%**	**87.40%**	**86.52%**	**85.68%**	**84.85%**	**84.05%**	**83.27%**	**82.52%**	**81.78%**	**81.14%**	**80.51%**	**79.91%**	**79.33%**	**78.76%**

50% Test

Tax-Exempt Note Amount	$31,000,000
Less: Debt Service Reserve Funded with Tax Exempt Note Proceeds	$0
Other:	$0
Other:	$0
Equals Net Tax-Exempt Note Amount	$31,000,000
Total Depreciable Cost	$45,946,433
Plus Land Cost	$2,100,000
Aggregate Basis	$48,046,433
Net Tax-Exempt Note to Aggregate Basis Ratio	64.52%

1. Based on the development budget, the development appears to meet the 50% test for 4% Housing Credits.

FINAL REVIEW REQUIRED ITEMS:	STATUS Satis. / Unsatis.	NOTE
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.	UnSatis.	1.
2. Permit Status.	Satis.	
3. Pre-construction analysis ("PCA"). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	UnSatis. Satis. UnSatis.	2.
4. Survey.	Satis.	
5. Complete, thorough soil test reports.	Satis.	
6. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
7. Market Study separate from the Appraisal.	Satis.	
8. 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.	
9. 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.	
10. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
11. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
12. Management Agreement and Management Plan.	UnSatis.	3.
13. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
14. Firm commitment letter from the syndicator, if any.	UnSatis.	4.
15. Firm commitment letter(s) for any other financing sources.	UnSatis.	5.
16. Updated sources and uses of funds.	Satis.	
17. Fifteen-year income, expense, and occupancy projection.	Satis.	
18. Executed general construction contract with "not to exceed" costs.	Satis.	
19. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
20. Any additional items required by the credit underwriter.	UnSatis.	6.
21. Receipt of GC Certification	Satis.	

22. Reliance for FHDC as agent for FHFC and MCHFA is include in all applicable third party reports: Appraisal, Market Study, PCA, Phase I and Phase II.	Satis.	

Notes:

1. Closing is condition upon receipt of final plans and specifications.

2. At this time a draft PCA has been received. Receipt of satisfactory final PCA is a condition of this report.

   2.b. CB Structures, Inc. (“CBS”) is an affiliated in-house structural Subcontractor and will be providing a scope of work in the amount of $6,388,589 for the cast-in place concrete and structural wood framing, which represents 19.10% of the overall contract amount of 22.14% of the Cost of Work.

3. A draft Management Agreement and Management Plan were provided, which will not be executed until closing.

4. At this time a firm commitment letter from the Syndicator is not available, First Housing in relying on the term sheet provided. Closing is conditioned upon receipt of an Amended and Restated Operating Agreement.

5. Receipt of a firm commitment from Truist Bank is not available, First Housing is relying on the term sheet provided.

6. Approval of the number of units from 222 at the time of the Application (111 – one bedroom units, 91- two bedroom unit and 20 - three bedroom units) to 224 units (112 – one bedroom units, 92 – two bedroom units and 20- three bedroom units).