

MEMORANDUM

Agenda Item No. 11(A) (15)

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


DATE: April 8, 2014

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

SUBJECT: Resolution approving
agreements related to grant from
Building Better Communities
General Obligation Bond
Program Project No. 249 –
"Preservation of Affordable
Housing units and Expansion of
Home Ownership" in amount of
\$9,000,000.00 to Collaborative
Development Corporation for
Development of Affordable
Housing in District 7

A substitute was presented and forwarded to the BCC with a favorable recommendation at the 3-13-14 Health and Social Services Committee. This substitute differs from the original in that it amends Resolution No. R-931-13 approved by the Board on November 5, 2013 to change the commencement date for the construction of the Gibson Community Center Project from "not later than April 1, 2014" to "not later than May 1, 2014."

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



R. A. Cuevas, Jr.
County Attorney

RAC/smm



MEMORANDUM

(Revised)

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

DATE: April 8, 2014

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

SUBJECT: Agenda Item No. 11(A)(15)

Please note any items checked.

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

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 11(A) (15)

4-8-14

RESOLUTION NO. _____

RESOLUTION APPROVING AGREEMENTS RELATED TO GRANT FROM BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM PROJECT NO. 249 – “PRESERVATION OF AFFORDABLE HOUSING UNITS AND EXPANSION OF HOME OWNERSHIP” IN AMOUNT OF \$9,000,000.00 TO COLLABORATIVE DEVELOPMENT CORPORATION FOR DEVELOPMENT OF AFFORDABLE HOUSING IN DISTRICT 7; AMENDING RESOLUTION NO. 931-13 TO AMEND CONSTRUCTION COMMENCEMENT DATE AND AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR’S DESIGNEE TO EXECUTE AND DELIVER SUCH AGREEMENTS ON BEHALF OF COUNTY

WHEREAS, pursuant to Resolution No. R-918-13 adopted on October 4, 2011, as amended by Resolution No. R-931-13 adopted on November 5, 2013 (collectively, the “Allocation Resolution”), this Board approved a District 7 grant/allocation of \$8,500,000.00 and \$500,000.00, respectively, for a total of \$9,000,000.00 from Project No. 249 – “Preservation of Affordable Housing Units and Expansion of Home Ownership” (the “Total Funding Allocation”) of the Building Better Communities General Obligation Bond Program (the “BBC GOB Program”) for the development of no less than forty-eight (48) affordable housing rental units in Coconut Grove Village West located at 3629 Grand Avenue and 3632 Florida Avenue, Miami, Florida (the “Gibson Community Center Project”); and

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

WHEREAS, pursuant to the County’s five-year capital plan, it is anticipated that the County shall have sufficient Building Better Communities General Obligations note/bond proceeds (“Bond Proceeds”) available to fund the total Grant by allocating \$3,500,000.00 in Fiscal Year 2013-14 and \$5,500,000.00 in Fiscal Year 2014-15 (“Funding Plan”); and

WHEREAS, due to the funding of the Grant over two Fiscal Years, the Grantee needs to secure construction financing to be paid from proceeds of the Grant until the Grant is fully funded; and

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

WHEREAS, this Board wishes to approve (i) the award of the Grant to Collaborative Development Corporation, a Florida not-for-profit corporation (the "Grantee"); and (ii) the forms of the Grant Agreement (the "Grant Agreement") and Rental Regulatory Agreement ("Rental Regulatory Agreement") between the County and the Grantee; and

>>**WHEREAS**, pursuant to Resolution No. R-931-13 adopted by this Board on November 5, 2013, the Grantee was required to commence construction of the Gibson Community Center Project no later than April 1, 2014; and

WHEREAS, since construction is expected to commence sometime in April, 2014, this Board wishes to amend Resolution No. R-931-13 accordingly; and<<¹

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

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

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

¹ The differences between the substitute and the original item are indicated as follows: Words stricken through and/or [[double bracketed]] shall be deleted, words underscored and/or >>double arrowed<< are added.

Section 2. The Board approves the Grantee as the recipient of the Grant.

Section 3. The final underwriting report for the Grant is attached as Exhibit "A" to this Resolution.

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

Section 5. The Board approves the Rental Regulatory Agreement to be delivered by the Grantee and recorded in the public records in substantially the form attached as Exhibit "C" to this Resolution and the County Mayor or County Mayor's designee is authorized to execute the Rental Regulatory Agreement on behalf of the County with any revisions that may be necessary to assure the Project is affordable and any changes or amendments consistent with this Resolution and the underwriting report after consultation with the Miami-Dade County Attorney's Office. The Grantee will set aside fifty (50) rental units as affordable units. The unit sizes, initial monthly rental rates and the income requirements for eligible tenants are set forth in the Rental Regulatory Agreement.

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

>>**Section 7.** Section 2 of Resolution No. 931-13 is amended to change the start date for the commencement of construction from “no later than April 1, 2014” to “no later than May 1, 2014”.<<

The Prime Sponsor of the foregoing resolution is Commissioner Xavier L. Suarez. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman

Lynda Bell, Vice Chair

Bruno A. Barreiro

Jose "Pepe" Diaz

Sally A. Heyman

Jean Monestime

Sen. Javier D. Souto

Juan C. Zapata

Esteban L. Bovo, Jr.

Audrey M. Edmonson

Barbara J. Jordan

Dennis C. Moss

Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of April, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

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

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan



Exhibit A
Final Underwriting Report

Miami-Dade County

Credit Underwriting Report

Gibson Community and Educational Center

Miami-Dade County General Obligation Bonds

Miami-Dade County Housing Finance Authority Tax-Exempt Bonds

Section A Report Summary

Section B Loan Conditions

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

February 25, 2014

GIBSON COMMUNITY AND EDUCATIONAL CENTER
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Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends a Building Better Communities General Obligation Bond ("GOB") Program grant/loan in the amount of \$9,000,000 for the construction and permanent financing of the subject development. Seltzer also recommends a Multifamily Mortgage Revenue Bond ("MMRB") Program loan in the amount of \$6,669,432, be awarded to this development for construction period financing.

DEVELOPMENT & SET-ASIDES

Development Name: Gibson Community and Educational Center

Program Numbers: _____

Address: 3629 Grand Avenue

City: Miami

Zip Code: 33133

County: Miami-Dade

County Size: Large

Development Category: New Construction

Development Type: Midrise

Construction Type: Concrete block with stucco finish and composition roof

Demographic Commitment:

Elderly: Yes

Homeless: No

ELI: _____ Units @ _____ AMI

Farmworker or Commercial Fish Worker:

No

Family: No

Link: _____ Units @ _____ AMI

Bed Rooms	Bath Rooms	Units	Net Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rents	Applicant Rents	Appraiser Rents	CJ Rents	Annual Rental Income
1.0	1.0	6	616	50%	\$637			\$78	\$0	\$559	\$559	\$559	\$559	\$40,248
1.0	1.0	20	616	60%	\$765			\$78	\$0	\$687	\$687	\$687	\$687	\$164,880
1.0	1.0	4	644	100%	\$0			\$0	\$0	\$0	\$687	\$1,000	\$1,000	\$48,000
2.0	2.0	6	808	50%	\$765			\$99	\$0	\$666	\$666	\$666	\$666	\$47,952
2.0	2.0	18	808	60%	\$918			\$99	\$0	\$819	\$819	\$819	\$819	\$176,904
2.0	2.0	2	850	100%	\$0			\$0	\$0	\$0	\$819	\$1,300	\$1,300	\$31,200
		56	39,684											\$509,184

Buildings: Residential - 1

Non-Residential - 0

Parking: Parking Spaces - 66

Accessible Spaces - 3

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
County Bonds	21.43%	12	50%	30
County Bonds	67.86%	38	60%	30
GOB	21.43%	12	50%	30
GOB	67.86%	38	60%	30
HOME	5.36%	3	50%	30
HOME	14.28%	8	80%	30
4% HC	89.29%	50	60%	30

GOB AND MMRB CREDIT UNDERWRITING REPORT**SMG**Absorption Rate: 26 units per month for 2 months.Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 80.65%
Occupancy Comments _____DDA?: YesQCT?: YesSite Acreage: 1.87Density: 29.9465Flood Zone Designation: XZoning: T5-O, T4-O, and T3-R City of Miami - Conforming UseFlood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Gibson Center, Ltd.	% Ownership
General Partner 1:	PHG-Gibson, LLC	0.0030%
General Partner 2:	CDC-Gibson, LLC	0.0070%
General Partner 3:		
General Partner 4:		
General Partner 5:		
Limited Partner 1:	Wells Fargo Community Lending and Investment	99.9900%
Limited Partner 2:		
Limited Partner 3:		
Special Limited Partner:		
Construction Completion		
Guarantor(s):	Gibson Center, Ltd.	
	Pinnacle Housing Group, LLC	
	Collaborative Development Corporation	
	Louis Wolfson III	
	Michael D. Wohl	
	David O. Deutch	
	Mitchell M. Friedman	
	PHG-Gibson, LLC	
	CDC-Gibson, LLC	
Operating Deficit		
Guarantor(s):	Gibson Center, Ltd.	
	Pinnacle Housing Group, LLC	
	Collaborative Development Corporation	
	Louis Wolfson III	
	Michael D. Wohl	
	David O. Deutch	
	Mitchell M. Friedman	
Pvt Placement Purchaser:	Citi Community Capital	
Developer:	Pinnacle Housing Group, LLC	
Principal 1	Louis Wolfson, III	
Principal 2	Michael D. Wohl	
Principal 3	David O. Deutch	
Principal 4	Mitchell M. Friedman	
Co-Developer:	Collaborative Development Corporation, a Florida non-profit 501(c)(3) corporation	
DEVELOPMENT TEAM (cont)		
General Contractor 1:	PHG Builders, LLC	
General Contractor 2:		
Management Company:	Professional Management, Inc.	
Const. Credit Enhancer:		
Perm. Credit Enhancer:		
Syndicator:	Wells Fargo Community Lending and Investment	
Bond Issuer:	Miami-Dade County Housing Finance Authority	
Architect:	Behar Font & Partners, P.A.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First	Second	Third	Fourth		
Lender/Grantor	Miami Dade - GOB	Miami Dade - HOME	Wells Fargo			
Amount	\$9,000,000	\$550,000	\$4,948,271	\$383,402		
Underwritten Interest Rate	0.00%	3.00%				
All In Interest Rate	0.00%	3.00%				
Loan Term	30.00	30.00				
Amortization	0.00					
Market Rate/Market Financing LTV	189.1%					
Restricted Market Financing LTV	562.5%					
Loan to Cost	60.5%	3.7%				
Debt Service Coverage	N/A	3.73				
Operating/Deficit Service Reserve	\$200,805					
Period of Operating Expenses/Deficit Reserve in Months	12					

Deferred Developer Fee	\$383,402
Leasehold Interest Value	\$1,030,000
As-Is Value (Rehabilitation)	\$0.00
Market Rent/Market Financing Stabilized Value	\$4,760,000
Rent Restricted Market Financing Stabilized Value	\$1,600,000
Rent Restricted Favorable Financing Stabilized Value	\$0.00
Projected Net Operating Income (NOI) - Year 1	\$103,761.80
Projected Net Operating Income (NOI) - 15 Year	\$67,945.52
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Private Placement - CITI
Housing Credit Syndication Price	\$1.05
Housing Credit Annual Allocation	\$475,684

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	Citi	\$6,669,432	\$0	\$0
Second Mortgage	Miami-Dade GOB	\$7,470,000	\$9,000,000	\$160,714
Third	Miami-Dade HOME	\$550,000	\$550,000	\$9,821
HC Equity	Wells Fargo	\$742,241	\$4,948,271	\$88,362
Deferred Developer Fee	PHG/CDC	\$0	\$383,402	\$6,846
TOTAL		\$15,431,673	\$14,881,673	\$265,744

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?	X	
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?	X	
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	

Is the Development in all other material respects the same as presented in the Application?	X	
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The following are explanations of each item checked "No" in the table above:

Other Considerations: None

Mitigating Factors: None

Waiver Requests/Special Conditions: None

Additional Information:

- 1) GOB funds have been awarded to the subject development from Project No. 249 – Preservation of Affordable Housing Units and Expansion of Home Ownership of the Building Better Communities General Obligation Bond Program. Per the Applicant, the County will disburse GOB funds to Collaborative Development Corporation a Florida non-profit 501 (c)(3) corporation and co-developer of the subject property. The GOB funds will then be subsequently loaned to the Applicant entity; Gibson Center, Ltd. Terms of the re-loaned funds include a 0.00% interest rate, non-amortizing, 30-year term, with principal payment(s) deferred until maturity.
- 2) At the end of the initial compliance period, and extending for a period of twenty-four months thereafter, the not-for-profit Land Lessor Theodore Roosevelt Gibson Memorial Fund Incorporated ("TRGMF") shall have the right to purchase the apartment complex consistent with the terms of the Internal Revenue Service Code Section 42(i)(7).

Issues and Concerns:

- 1) The Annual HC Calculation (Exhibit 3) is based on the Applicants estimate of eligible costs; however, eligible costs include \$315,700 in construction costs that the Applicant believes should be a considered Community Service Facility ("CSF") and should therefore be included in the development's eligible basis. These costs are associated with ground floor commercial space that will provide an Educational Center to area residents and tenants earning 60% or less of the AMI. It is anticipated that the Educational Center will be managed by Miami-Dade College. Per GOB guidelines, no GOB funds can be used to fund any portion of the Educational Center.

Seltzer has included the costs of the educational component in Qualified Basis based on a CSF Study (the "Study") performed by Meridian Appraisal Group. Please see Section C of this report for additional information regarding this Study. It is Seltzer's opinion that the Final determination of qualified basis and aggregate LIHTC for the subject development will be the Low-Income Housing Credit Allocation and Certification (IRS Form 8609).

Recommendation:

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends a General Obligation Bond ("GOB") Program grant/loan in the amount of \$9,000,000 for the construction and permanent financing of the subject development. Seltzer also recommends a Multifamily Mortgage Revenue Bond ("MMRB") Program loan in the amount of \$6,669,432, be awarded to this

development for construction period financing only. This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is further subject to the Loan Conditions (Section B). The reader is advised to refer to these sections for complete information.

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

Prepared by:



Richard Crogan
Credit Underwriter

Reviewed by:



Cindy Highsmith
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage - Bonds	Citi	\$7,000,000	\$7,000,000	\$6,669,432	4.49%	\$310,368
Second Mortgage	Miami Dade - GOB	\$2,000,000	\$6,627,060	\$7,470,000	0.00%	\$0
Third Mortgage	Miami Dade - HOME	\$550,000	\$550,000	\$0	0.00%	\$0
HC Equity	Wells Fargo	\$4,872,149	\$742,241	\$742,241		
Deferred Developer Fee	Pinnacle/Collaborative	\$500,939	\$0	\$0		
Total		\$14,923,088	\$14,919,301	\$14,881,673		\$310,368

Tax-Exempt Bond Loan:

The Applicant has applied for Tax-Exempt Bonds to be issued by the Miami Dade County Housing Finance Authority ("MDCHFA") for construction financing of the subject development in an amount up to \$7,000,000. Based on other funding sources available to the Applicant during the construction period, Seltzer estimates the amount of tax-exempt bonds necessary to completion construction to be \$6,669,432. The MMRB Loan will require payments of interest only during the construction/stabilization period. Construction debt service (including applicable fees) is calculated based upon the estimated interest rate for the tax-exempt bonds provided by the private placement/purchaser of the bonds of 3.81%, plus applicable fees of .0068% for an "all-in" interest rate currently estimated at 4.49%. The interest rate is equal to the variable Securities Industry and Financial Markets Association ("SIFMA") rate plus a spread of 2.50% during the construction phase. The construction loan has a 1.0% (\$70,000) origination fee. Pricing is based on current market conditions at time of closing and is, therefore, subject to change. It is expected that the outstanding construction bonds will be redeemed prior to or concurrent with permanent loan conversion.

MMRB Private Placement/ Purchase:

Per a December 10, 2013 term sheet, the MMRB are anticipated to be privately placed or purchased by Citi Community Capital ("Citi").

GOB

The Applicant provided Resolution No. R-893-11 from the Miami-Dade Board of County Commissioners approving the allocation of \$8,500,000 in Building Better Communities General Obligation Bond funds for the subject development through the Miami Dade County Internal Services Department ("MDCISD"). The GOB award was amended by Resolution No. R-931-13 increasing the award by \$500,000 for a revised total allocation of \$9,000,000. The award will be disbursed to Collaborative Development Corporation co-developer of the subject property. The GOB funds will then be subsequently loaned to the Applicant entity; Gibson Center, Ltd. Terms of the re-loaned funds include a 0.00% interest rate, non-amortizing, 30-year term, with principal payment(s) deferred until maturity. As long as the Applicant entity conforms to the Administrative Rules of the GOB program no principal and/or interest payments are due for the 30-year term of the award. Per the Building Better Communities General Obligation Bond Program Administrative Rules 83% of the GOB award must be utilized for hard construction

costs. Based on this and other financing sources available to the Applicant during the construction period SMG calculates GOB funds required during the construction period to be \$7,470,000.

Other Construction Period Sources of Funds:

Additional sources of funds during the construction period include housing credit equity. See the Permanent Financing section below for details.

Construction/Stabilization Period:

The Applicant has projected stabilized occupancy to be achieved within six months of construction completion or approximately October 2015, for a total construction/stabilization period of 18 months. This estimation appears reasonable and has been used by Seltzer for credit underwriting purposes.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	Citi	\$0	\$0	\$0	N/A	\$0	0	\$0
First Mortgage	Miami Dade - GOB	\$9,000,000	\$9,000,000	\$9,000,000	0.00%	0	30	\$0
Second Mortgage	Miami Dade - HOME	\$550,000	\$550,000	\$550,000	3.00%	30	30	\$27,826
HC Equity	Wells Fargo	\$4,872,149	\$4,948,272	\$4,948,271				
Def. Developer Fee	Pinnacle/Collaborative	\$500,939	\$421,029	\$383,402				
Additional Equity		\$0	\$0	\$0				
Total		\$14,923,088	\$14,919,301	\$14,881,673				\$27,826

First Mortgage: Citi

Upon construction completion (and confirmation that the 50% test has been met), 100% of the outstanding construction bonds will be redeemed prior to conversion to the permanent period.

First Mortgage: GOB

The Applicant provided Resolution No. R-893-11 from the Miami-Dade Board of County Commissioners approving the allocation of \$8,500,000 in Building Better Communities General Obligation Bond funds for the subject development. The GOB award was amended by Resolution No. R-931-13 increasing the award by \$500,000 for a revised total allocation of \$9,000,000 through the MDCISD. The award will be disbursed to Collaborative Development Corporation co-developer of the subject property. The GOB funds will then be subsequently loaned to the Applicant entity; Gibson Center, Ltd. Terms of the re-loaned funds include a 0.00% interest rate, non-amortizing, 30-year term, with principal payment(s) deferred until maturity. As long as the Applicant entity conforms to the Administrative Rules of the GOB program no principal and/or interest payments are due for the 30-year term of the award. A portion of the proceeds of the GOB Program will be used at conversion to the permanent period to redeem the outstanding construction bond amount. Based on the known parameters of the Miami-Dade County tax-exempt Bond program, City of Miami HOME program, Florida Housing 4% Housing Credit program and the absence of any additional GOB parameters the identified financing structure does not appear to overfund the subject development.

HOME:

The Applicant was awarded a HOME loan from the City of Miami (the "City") in the amount of \$550,000. Only eleven units of the subject's total fifty-six units will be subject to HOME set-aside requirements and income restrictions. Three HOME assisted units will be subject to Low HOME Rents (up to 50% of the AMI) and eight HOME assisted units will be subject High HOME Rents (up to 80% of the AMI). HOME Federal Labor Standards do not apply. The HOME loan will be a 0.00% loan during the construction period. Once construction is complete, the HOME loan will convert to a 30-year amortization, 3.00% interest permanent loan on the property. Accrued interest and principal will be deferred to the end of the 30-year loan term, at which time all outstanding accrued interest and principal is due and payable. At the sole discretion of the City, the City can waive the interest or principal payment or both. Per the City award letter, \$50,000 of the award can be used by the City to offset City incurred costs related to the development..

Housing Credits ("HC") Equity Investment:

The Applicant has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt bond financing.

A February 5, 2014 term sheet from Wells Fargo Community Lending and Investment ("Wells Fargo – Equity") is summarized as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$742,241	15.0%	Admission to Partnership
2nd Installment	\$515,004	10.4%	100% completion and Final CO
3rd Installment	\$2,907,151	58.8%	Redemption of Construction Bonds
4th Installment	\$783,875	15.8%	Latter of 1.15X IER, 90% for 90 days, 100% qualified occupancy, cost certification, IRS Form 8609
Total	\$4,948,271	100%	

Annual Tax Credits per Syndication Agreement:	\$475,684
Total HC Syndication:	\$4,948,271
Syndication Percentage (limited partner interest):	99.99%
Calculated HC Exchange Rate (per dollar):	\$1.050
Proceeds Available During Construction:	\$742,241

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds and after all loan proceeds and capital contributions payable under the syndication agreement have been received, the developer will have to defer \$383,402 of its developer fee during the permanent period.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings					
Demolition					
Installation of Pre Fab Units					
New Rental Units	\$6,857,332	\$6,670,608	\$6,670,608	\$119,118	\$200,000
Parking Garage					
Recreational Amenities					
Commercial Space	\$315,700	\$315,700	\$315,700	\$5,638	
Rehab of Existing Rental Units					
Site Work					
Swimming Pool					
General Conditions	\$1,004,224	\$489,041	\$489,041	\$8,733	
Overhead		\$489,041	\$489,041	\$8,733	
Profit					
Builder's Risk Insurance					
General Liability Insurance					
Letter of Credit					
Furniture, Fixture, & Equipment					
Total Construction Contract/Costs	\$8,177,256	\$7,964,390	\$7,964,390	\$142,221	
Hard Cost Contingency	\$408,863	\$398,220	\$398,220	\$7,111	
Fees for LOC used as Construction Surety					
Other: Washer & Dyers	\$84,000	\$84,000	\$84,000	\$1,500	\$84,000
Other: Furniture, Fixture & Equipment	\$250,000	\$325,000	\$325,000	\$5,804	
Other:					
Other:					
Other:					
Total Construction Costs:	\$8,920,119	\$8,771,610	\$8,771,610	\$156,636	\$284,000

Notes to the Actual Construction Costs:

1. The Applicant has provided a construction contract between the Applicant and PHG Builders, LLC dated February 5, 2014 in the amount of \$7,964,390. The contract is a Standard Form of Agreement between Owner and Contractor where the basis of payment is a Stipulated Sum and includes Supplemental Conditions, Index of Drawings, Construction Schedule, Exclusions, Clarifications, Schedule of Values, and Section 3 Clause. This contract includes all construction hard costs and contractor's fees. The contract provides for retainage of 10% until 50% completion at which time retainage is reduced to 0%. Final payment will be made when the contract has been fully performed and within 30 days of the Architect's final Certificate for Payment. The contract requires substantial completion of the entire work not later than 335 days from the date of commencement. The date of commencement is not before the later to occur 1) Owner's issuance of a Notice to Proceed or 2) receipt of all Building Permits.

2. The General Contractor's Fee is 14.00% of the total construction contract. The Construction Contract or Schedule of Values did not identify contractor profit. The hard cost contingency is not included in the construction contract amount. No general contractor fee is calculated on the hard cost contingency as appropriate.
3. Washers and Dryers estimated at \$84,000 were not included in the construction contract per the provided Schedule of Values. General Contractor fees were not calculated on this amount as appropriate.
4. Furniture, Fixtures, and Equipment estimated at \$325,000 was not included in the construction contract per the provided Schedule of Values. General Contractor fees were not calculated on this amount as appropriate.
5. Liability Insurance costs are included in the general conditions fee line item.

GOB AND MMRB CREDIT UNDERWRITING REPORT
SMG

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$75,000	\$75,000	\$75,000	\$1,339	
Appraisal	\$8,700	\$8,700	\$5,900	\$105	
Architect's and Planning Fees					
Architect's Fee - Green Initiative					
Architect's Fee - Landscape					
Architect's Fee - Site/Building Design	\$300,000	\$350,000	\$350,000	\$6,250	
Architect's Fee - Supervision	\$24,000	\$24,000	\$24,000	\$429	
Building Permits	\$67,200	\$172,040	\$172,040	\$3,072	
Builder's Risk Insurance	\$91,585	\$89,201	\$89,201	\$1,593	
Capital Needs Assessment/Rehabilitation					
Demolition paid outside Const Contract					
Engineering Fees	\$125,000	\$125,000	\$125,000	\$2,232	
Environmental Report	\$37,500	\$45,000	\$45,000	\$804	
Federal Labor Standards Monitoring					
FF&E paid outside Construction Contract					
FHFC Administrative Fees	\$23,208	\$23,566	\$23,691	\$423	\$23,691
FHFC Application Fee	\$5,000	\$5,000	\$3,000	\$54	
FHFC Credit Underwriting Fee	\$41,081	\$41,081	\$22,046	\$394	\$22,046
FHFC HC Compliance Fee (HC)	\$105,464	\$105,464	\$104,614	\$1,868	\$104,614
FHFC Other Processing Fee(s)					
Impact Fee	\$45,000	\$97,150	\$97,150	\$1,735	
Lender Inspection Fees / Const Admin	\$75,000	\$98,000	\$98,000	\$1,750	
Green Building Cert. (LEED, FGBC, NAHB)	\$75,000	\$75,000	\$75,000	\$1,339	
Home Energy Rating System (HERS)					
Insurance	\$67,200	\$67,200	\$67,200	\$1,200	\$67,200
Legal Fees	\$300,000	\$300,000	\$300,000	\$5,357	\$150,000
Local Subsidy Underwriting Fee					
Market Study	\$1,500	\$7,000	\$5,000	\$89	
Marketing and Advertising	\$100,000	\$100,000	\$100,000	\$1,786	\$100,000
Plan and Cost Review Analysis			\$2,500	\$45	
Property Taxes	\$28,000	\$36,400	\$36,400	\$650	\$36,400
Soil Test	\$18,750	\$22,500	\$22,500	\$402	
Start-Up/Lease-up Expenses					
Survey	\$18,750	\$22,500	\$22,500	\$402	
Tenant Relocation Costs					
Title Insurance and Recording Fees	\$175,000	\$200,000	\$200,000	\$3,571	
Traffic Study					
Utility Connection Fees	\$120,800	\$120,800	\$120,800	\$2,157	
Soft Cost Contingency	\$96,437	\$111,028	\$109,327	\$1,952	
Other: Community Service Facility Study	\$0	\$0	\$1,500	\$27	
Other:					
Other:					
Total General Development Costs:	\$2,025,175	\$2,321,630	\$2,297,369	\$41,024	\$503,951

Notes to the General Development Costs:

1. The Appraisal line item reflects the actual cost of the Appraisal engaged by SMG.
2. The Credit Underwriting Fees reflect actual costs for this report.
3. The Market Study line item reflects actual costs for the Market Study engaged by SMG.
4. The Pre-Construction/ Plan and Cost Analysis line item reflects the actual cost of the analysis engaged by SMG.
5. Title Insurance and Recording Fees are per Applicant estimates.
6. Soft Cost Contingency is equal to 5% of Total General Development Costs.
7. Other – Community Service Facility Study line item reflects actual costs of the Study engaged by SMG.
8. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

GOB AND MMRB CREDIT UNDERWRITING REPORT

SMG

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee					
Construction Loan Underwriting Fee					
Construction Loan Origination Fee					
Construction Loan Commitment Fee	\$70,000	\$70,000	\$70,000	\$1,250	
Construction Loan Closing Costs	\$8,608	\$8,608	\$8,608	\$154	\$8,608
Construction Loan Interest	\$326,324	\$323,651	\$323,651	\$5,779	\$218,546
Construction Loan Servicing Fees					
Permanent Loan Application Fee					
Permanent Loan Underwriting Fee					
Permanent Loan Subsidy Layering Review					
Permanent Loan Commitment Fee					
Permanent Loan Origination Fee					
Permanent Loan Closing Costs					
Permanent Loan Interest					
Permanent Loan Servicing Fee					
Local HFA Bond Application Fee					
Local HFA Bond Underwriting Fee	\$7,000	\$7,000	\$7,000	\$125	\$7,000
Local HFA Bond Subsidy Layering Review					
Local HFA Bond Origination Fee					
Local HFA Bond Commitment Fee	\$31,000	\$31,000	\$31,000	\$554	\$31,000
Local HFA Bond Trustee Fee	\$10,500	\$10,500	\$10,500	\$188	\$10,500
Local HFA Bond Credit Enhancement Fee					
Local HFA Bond Rating Fee					
Local HFA Bond Closing Costs					
Local HFA Bond Interest					
Local HFA Bond Servicing Fee	\$48,000	\$48,000	\$48,000	\$857	\$48,000
Negative Arbitrage					
Reserves - ACC Reserve					
Reserves - Operating Deficit					
Reserves - Debt Service Coverage					
Reserves - Required by Lender					
Reserves - Required by Syndicator	\$387,760	\$200,805	\$200,805	\$3,586	\$200,805
Reserves - Required by FHFC					
Reserves - Replacement Escrow					
Financial Advisor Fee					
Legal Fees - Bond Counsel	\$62,000	\$62,000	\$62,000	\$1,107	\$62,000
Legal Fees - Borrower's Counsel	\$40,000	\$40,000	\$40,000	\$714	\$40,000
Legal Fees - Issuer's Counsel	\$10,000	\$10,000	\$10,000	\$179	\$10,000
Legal Fees - Lender's Counsel	\$45,000	\$45,000	\$45,000	\$804	\$45,000
Legal Fees - Underwriter's Counsel					
Working Capital Reserve					
TEFRA Fee	\$1,000	\$1,000	\$1,000	\$18	\$1,000
FHA MIP (Prepayment)					
FHA Exam Fee					
NIBP Commitment Fee					
Other: Transcripts	\$7,500	\$7,500	\$7,500	\$134	\$7,500
Other: Miscellaneous	\$105,000	\$105,000	\$105,000	\$1,875	\$105,000
Other: Letter of Credit Fees	\$0	\$9,955	\$9,955	\$178	
Other: HOME Loan Administrative Costs	\$50,000	\$50,000	\$50,000	\$893	
Other:					
Total Financial Costs:	\$1,209,692	\$1,030,019	\$1,030,019	\$18,393	\$794,959

GIBSON COMMUNITY AND EDUCATIONAL CENTER

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Notes to the Financial Costs:

1. Construction Loan Origination fees are based on 1% of the construction loan amount due at loan closing per the Citi Term Sheet.
2. Construction Loan Interest is calculated on an estimated \$7,000,000 of HFA Bonds and is based on the Applicant's projected draw schedule and projection of stabilized occupancy to be achieved within six months of construction completion or approximately October 2015.
3. Reserves - Required by Syndicator is calculated per the February 5, 2014 term sheet provided by Wells Fargo – Equity. The term sheet indicates that the reserve will equal 6-months operating expenses, replacement reserves, and must pay debt service.
4. Other: Miscellaneous represents additional tax exempt bond issuance costs anticipated by the Applicant.
5. Other: Letter of Credit ("LOC") fees reflect Applicant estimated costs of providing a 10% LOC to secure the construction contract.
6. Other: HOME Loan Administrative Costs represent City incurred costs related to the development.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building					
Building Acquisition Cost	\$0	\$0	\$0		
Other:					
Other:					
Other:					
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs: None

OTHER DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Development Cost Before Developer Fee and Land Costs	\$12,154,986	\$12,123,259	\$12,098,998	\$216,054	\$1,582,910
Developer Fee on Acquisition of Buildings					
Developer Fee	\$2,118,101	\$2,146,042	\$2,132,675	\$38,083	
Total Other Development Costs:	\$2,118,101	\$2,146,042	\$2,132,675	\$38,083	\$0

Notes to the Other Development Costs:

- 1) Developer Fee is equal to 17.98% of development costs less the capitalized ground lease payment, reserves, and developer fee.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land					
Land Acquisition Costs					
Land					
Land Lease Payment	\$650,000	\$650,000	\$650,000	\$11,607	\$650,000
Land Carrying Costs					
Other:					
Other:					
Other:					
Total Acquisition Costs:	\$650,000	\$650,000	\$650,000	\$11,607	\$650,000

Notes to the Land Acquisition Costs:

1. The Applicant provided an Amended and Restated Ground Lease Agreement dated January 30, 2014 between Theodore Roosevelt Gibson Memorial Fund, Inc., a Florida non-profit corporation ("Landlord") and Gibson Center, Ltd., a Florida limited liability company ("Tenant"). The term of the Lease is for a 65-year period. The annual base rent is \$1.00 per annum. In addition to the base rent, tenant shall pay landlord a one-time capital lease payment of \$650,000, payable on the construction commencement date. The Tenant also agrees to provide the capital lease payment free of all taxes, charges, expenses, costs, and deductions of every description. As such, the tenant agrees to pay for all such items. The Applicant did not provide an estimate for these additional costs.
2. The appraisal completed by Meridian Appraisal Group estimated the market value of the ground leasehold interest in the subject property "as-is" as of the date of evaluation on January 16, 2014 as \$1,030,000, supporting the lease payment(s).

TOTAL DEVELOPMENT COSTS:	\$14,923,087	\$14,919,301	\$14,881,673	\$265,744	\$2,232,910
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Notes to Total Development Costs:

- 1) Total Development Costs of \$265,744 per unit, while on the high end of the range for comparable properties and similar type construction, they are within a range of reasonableness and are considered acceptable.

Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$509,184	\$9,093
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income	\$0	\$0
	Miscellaneous	\$6,720	\$120
	Washer/Dryer Rentals	\$13,440	\$240
	Cable/Satellite Income	\$0	\$0
	Rent Concessions	\$0	\$0
	Alarm Income	\$0	\$0
	Gross Potential Income	\$529,344	\$9,453
	Less:		
	Economic Loss - Percentage:		\$0
	Physical Vacancy Loss - Percentage: 4.0%	(\$21,174)	(\$378)
	Collection Loss - Percentage: 1.0%	(\$5,293)	(\$95)
Total Effective Gross Revenue		\$502,877	\$8,980
EXPENSES	Fixed:		
	Ground Lease	\$1	\$0
	Sub-Ground Lease	\$0	\$0
	Real Estate Taxes	\$36,904	\$659
	Insurance	\$39,200	\$700
	Other	\$0	\$0
	Variable:		
	Management Fee - \$2,500 per month	\$30,000	\$536
	General and Administrative	\$28,000	\$500
	Payroll Expenses	\$86,250	\$1,540
	Utilities	\$57,400	\$1,025
	Marketing and Advertising	\$5,600	\$100
	Maintenance and Repairs	\$22,400	\$400
	Grounds Maintenance and Landscaping	\$15,000	\$268
	Resident Programs	\$0	\$0
	Contract Services	\$7,000	\$125
	Security	\$52,560	\$939
	Other-Pest Control	\$2,000	\$36
	Reserve for Replacements	\$16,800	\$300
Total Expenses		\$399,114	\$7,127
Net Operating Income		\$103,763	\$1,853
Debt Service Payments			
DEBT SERVICE	First Mortgage - GOB	\$0	\$0
	Second Mortgage - HOME	\$27,826	\$497
	Third Mortgage	\$0	\$0
	Fourth Mortgage	\$0	\$0
	Fifth Mortgage	\$0	\$0
	All Other Mortgages	\$0	\$0
	Other Fees - Administrative	\$0	\$0
	Other Fees -	\$0	\$0
Total Debt Service Payments		\$27,826	\$497
Cash Flow After Debt Service		\$75,937	\$1,356

Debt Service Coverage Ratios	
DSC - First Only (incl. Negative Arbitrage)	N/A
DSC - First and Second	3.729
DSC - First, Second and Third	3.729
DSC - First, Second, Third, and Fourth	3.729
DSC - First, Second, Third, Fourth, and Fifth	3.729
DSC - All Other Mortgages	3.729
DSC - All Mortgages and Fees	3.729

Financial Ratios	
Operating Expense Ratio	79.4%
Break-Even Ratio	80.7%

Notes to the Operating Pro forma and Ratios:

1. Rents are based upon the 2014 HC restricted rents published by HUD less applicable utility allowances as required by the HC Program. Utility allowances are based upon a Utility Allowance Chart for Miami-Dade County implemented December 1, 2013, specific to mid rise style apartments. Applicant will include water, sewer, trash removal, and pest control costs in the rental rates. The HOME program loan only applies to 11 of the subject developments 50 total set-aside units. Rental rates reflected below are more restrictive than 2014 HOME Low and High rental rates.

HMFA/County: Miami-Miami Beach-Kendall / Miami-Dade

Bed Rooms	Bath Rooms	Units	Net Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1.0	1.0	6	616	50%	\$637			\$78	\$0	\$559	\$559	\$559	\$559	\$40,248
1.0	1.0	20	616	60%	\$765			\$78	\$0	\$687	\$687	\$687	\$687	\$164,880
1.0	1.0	4	644	100%	\$0			\$0	\$0	\$0	\$687	\$1,000	\$1,000	\$48,000
2.0	2.0	6	808	50%	\$765			\$99	\$0	\$666	\$666	\$666	\$666	\$47,952
2.0	2.0	18	808	60%	\$918			\$99	\$0	\$819	\$819	\$819	\$819	\$176,904
2.0	2.0	2	850	100%	\$0			\$0	\$0	\$0	\$819	\$1,300	\$1,300	\$31,200
		56	39,684											\$509,184

2. Miscellaneous Income reflects late fees, forfeited security deposits, vending income, and coin laundry income.
3. Vacancy Loss and Collection Loss are based on the Appraiser's estimate.
4. Management fees are based on the management agreement, which stipulates compensation of \$2,500 per month or 5.97% of Effective Gross Revenue. This percentage is within the range of reasonableness for comparable properties.
5. Other operating expense estimates are based on estimates provided by the Applicant or Appraisal. All expenses are within a range of reasonableness detailed in the Appraisal.

6. The Applicant estimated Replacement Reserves of \$300 per unit per year. This is in agreement with the minimum industry standard currently used for credit underwriting purposes of \$300 per unit per year with an inflation factor based on the Consumer Price Index applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party that evidences an increase in the deposit is excessive or unnecessary. SMG believes this estimate to be reasonable and recommends a \$300 per unit per year replacement reserve account be established.
7. The cost of Resident Programs is included in other line items.
8. A 15-year income and expense projection reflects decreasing debt service coverage through year 15. This projection is attached to this report as Exhibit 1.

SMG

Section B
Loan Conditions

FEBRUARY 25, 2014

Special Conditions

This recommendation is contingent upon the review and approval of the following items by SMG, MDCHFA and MDCISD at least two weeks prior to construction. Failure to receive approval of these items within this time frame may result in postponement of the first post closing draw.

General Conditions

This recommendation is contingent upon the review and approval of the following items by MDCHFA and MDCISD at least two weeks prior to closing. Failure to receive approval of these items within this time frame may result in postponement of the closing date.

1. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by MDCHFA, MDCISD and their legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to MDCHFA, MDCISD 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 MDCHFA and MDCISD.
2. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority 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.
3. The final "as permitted" (signed and sealed) site plans, building plans, and specifications showing all features and amenities committed to in the application. The Geotechnical Report (if available) must be bound within the final plans and specifications.
4. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw shall include appropriate backup and ACH wiring instructions.
6. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting MDCHFA and MDCISD as Loss Payee / Mortgagee, with coverage's, deductibles and amounts satisfactory to MDCHFA and MDCISD.
7. If the development is not 100% lien-free completed, 100% Payment and Performance ("P&P") Bonds or a Letter of Credit ("LOC") in an amount not less than 10% of the

construction contract is required in order to secure the construction contract between the general contractor and the Borrower. 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. MDCHFA and MDCISD and/or legal counsel must approve the source, amount(s) and all terms of the P&P bonds or LOC.

8. Architect, Construction Consultant, and Borrower certifications on forms provided by MDCHFA and MDCISD will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and Federal Fair Housing Act requirements, as applicable.

This recommendation is contingent upon the review and approval of the following items by MDCHFA, MDCISD and its legal counsel at least two weeks before closing. Failure to receive approval of these items, along with all other items listed on counsels due diligence list, within this time frame may result in postponement of the closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.
2. An acceptable updated Environmental Audit Report, together with a reliance letter to MDCHFA and MDCISD, prepared within 90 days of closing, unless otherwise approved by MDCHFA and MDCISD, and legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
3. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loan naming MDCHFA as the insured. All endorsements
4. Receipt of a legal opinion from the Applicant's legal counsel acceptable to MDCHFA and MDCISD addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager.
 - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
 - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
 - e. Such other matters as MDCHFA, MDCISD or their legal counsel may require.
5. Evidence of compliance with local concurrency laws.
6. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by MDCHFA, MDCISD or their legal

counsel in form and substance acceptable to MDCHFA, MDCISD or its legal counsel, in connection with the HOME Loan.

7. UCC Searches for the Borrower, its partnerships, as requested by counsel.
8. Any other reasonable conditions established by MDCHFA, MDCISD and their legal counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Acceptance by the Applicant and execution of all documents evidencing and securing the MMRB, GOB and HOME Loans in form and substance satisfactory to MDCHFA and MDCISD, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s).
2. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
3. Guarantors are to provide the standard MDCHFA and MDCISD Construction Completion Guarantee, to be released upon lien free completion as approved by the Servicer.
4. A mortgagee title insurance policy naming MDCISD as the insured in the amount of the GOB, and HOME Program Loans is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to MDCISD or its legal counsel.
5. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by MDCHFA's loan servicing agent, the release of funds shall be at MDCHFA's sole discretion.
6. 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 MDCISD's loan servicing agent per the requirements of the executed loan documents. An inflation factor of 3% based on the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable that evidences an increase in the deposit is excessive or unnecessary.
7. Any other reasonable requirements of MDCHFA or MDCISD or their legal counsel.

SMG

Section C

Supporting Information and Schedules

FEBRUARY 25, 2014

Additional Development and Third Party Information**Appraised Value:**

Seltzer is in receipt of an appraisal dated January 24, 2014, (valuation date January 16, 2014) performed by Meridian Appraisal Group, Inc. ("Meridian") of Winter Springs, Florida. Robert Von of Meridian is a State Certified General Appraiser, Florida License Number RZ1604. Mark S. Davis is a State Certified General Appraiser, Florida License Number RZ1229. The appraisal was engaged by Seltzer Management Group, Inc.

The appraisal estimated a market value of the subject property based on a leasehold interest of the property of \$4,760,000. The loan-to-value on the GOB loan during the permanent period based on this value is 189.1%.

The combined loan-to-value ratio for all debt during the permanent period based on this value is 199.58%.

The appraiser estimated an "as is" leasehold value of the subject property of \$1,030,000 which supports the one-time capital lease payment of \$650,000.

Market Analysis:

SMG reviewed a separate market study of the subject development performed by Meridian dated January 30, 2014. The subject site is located on the north side of Grand Avenue, the west side of Plaza Street and the south side Florida Avenue in the City of Miami, Miami-Dade County, Florida. The subject property is located in the Miami/Miami Beach/Kendall HUD Metro FMR Area (HMFA). This HMFA includes only Miami-Dade County. The subject is located in the City of Miami, Miami-Dade County in an area commonly known as West Grove. The HMFA population grew 15.6% between 2000 and 2013, or 1.2% per year. The Miami-Dade HMFA is projected to grow by 6.7%, or 1.3% per year, over the next five years to 2018.

The neighborhood provides all necessary support services for a successful residential development. Employment, schools and shopping are within adequate proximity to the subject site. The subject's immediate neighborhood is considered suburban residential (with some commercial, office and light industrial uses throughout) in character, with a significant amount of small, medium and large-sized businesses located nearby in Coconut Grove and Coral Gables. The subject is just southwest of Downtown Miami within the city limits of Miami. Multi-family development is present in and near the subject neighborhood and occupancy rates are generally strong, suggesting that the subject neighborhood has received market acceptance as a multi-family location.

The vacancy rate in mature (18+ months old) rental apartment complexes in Miami-Dade County was 3.1% in 4Q2013, down from 3.4% in 3Q2013, 4.6% in 2Q2013 and 5.4% in 1Q2013. Since 3Q2010 the average vacancy for Miami-Dade County had ranged between 2.6% and 4.2% until 1Q2013. The vacancy rate in the 4Q2013 survey was found to be the highest in the Carol City (3) area at 7.4%. The second highest vacancy rate is in the North Miami (2) area at 6.4%. The Hialeah (6) area was lowest at 0.3%, followed by the South Beach (26) area at 1.4%. The subject site is located in Area 10 (Bayshore) that is grouped together with Areas 9 through 18 (Coral Gables, Kendall, West Miami) for some comparison purposes. This area is the east-central portion of Miami-Dade County. The boundaries of the Bayshore area are Biscayne Bay to the east, Flagler Street to the north, I-95/U.S. Highway 1 to the northwest, Douglas Road to the west, and Sunset Drive to the south. The Coral Gables and South Miami (8, 9, 11 and 12) areas are located to the west and south, while the Northwest Miami (5) and Northeast Miami (4) areas are to the north. The subject property is located in the central portion of the Bayshore sub-market which has a vacancy rate in the Fourth Quarter 2013 of 3.0%. The Old SW Miami/Coral Gables (8, 9, 11 & 12) vacancy rate in the Second Quarter 2013 is 2.2%. The Northwest Miami (5) area has a vacancy rate of 2.4%. The Northeast Miami (4) area has a vacancy rate of 2.0%.

The Primary Market Area (PMA) is defined as a 10-mile ring centered on the subject property. The area determination is based on data gathered in the Small Area Data (SAD) Case Study that can be found on the FHFC website. The study indicated that most affordable family developments receive about 2/3 to 3/4 of their tenants from within ten miles. The Competitive Market Area (CMA) is defined as those developments lying in closest proximity to the subject with similar income restrictions and demographic commitments. In large markets, numerous like-kind properties can be found in close proximity (within two to three mile rings) of the subject. In smaller markets, the CMA may expand beyond the PMA to capture sufficient like-kind developments. The subject's Competitive Market Area (CMA), for the purpose of determining a like-kind inventory of competitive units in the Occupancy Analysis, includes the most similar elderly units located in proximity to the subject.

According to the demographic analysis, there are currently an adequate number of households within the income band necessary to support demand for the subject's units, with a maximum Level of Effort of 18.3% in the five-mile ring, lower at 14.2% in the ten-mile ring (Primary Market Area) and even lower at 5.9% in the three-mile ring. The number of age and income-

qualified renter households represents the largest pool of potential renters from this source; the subject would likely draw these tenants only if their current housing is inferior to the subject or at least equally desirable but more costly. Household growth of age and income-qualified renter households in the subject's 10-mile ring is expected to increase by 466 households annually over the next five years. An annual growth greater than the development size is a positive demographic factor.

Within the five and 10-mile rings, the Level of Effort is relatively low to moderate due to the size of the existing and funded supply in relation to the size of the age and income-qualified renter households in the market. The low Level of Effort at 5.9% in the three-mile ring indicates that the area has a significant demand for affordable housing in the subject neighborhood relative to the supply. Further, all of the elderly developments nearest the subject site are at or near 100% occupied also indicating strong demand at this time. Additions to the supply may result in a competitive environment during lease-up. The Capture Rates are low at 2.1%, 0.7% and 0.3% in the three, five and 10-mile market areas, respectively. A Capture Rate of 10% or less in the three-mile ring is a typical developer's benchmark that a development is appropriately sized for the market. Based on this analysis, it appears the size of the subject development is appropriately sized, relative to the number of the age and income-qualified renter households in the market. The Remaining Potential Demand is strong for an elderly development in all of the market areas, with 2,251 age and income-qualified renter households in the three-mile ring, 5,854 in the five-mile ring, and 16,268 in the ten-mile ring.

The proposed development amenities and unit features are typical of other new and proposed income restricted developments within the Southeast Florida market. The unit mix for the subject has a similar percentage of two-bedroom units (53.6%) and has a higher percentage of one bedroom units (46.4%) as compared to the comparable market rate developments. However, the subject has similar ratios to the comparable affordable elderly developments. The subject's unit sizes are smaller than most of the market rate comparables. The subject's units are within the size range of comparable affordable developments.

In the short-term (defined as the period it takes the subject to lease to stabilization), there is a weak case for impact to the properties not located within two miles of the subject due to the strength of the market overall and the distance between the subject and these developments. None of the developments are located within two miles of the subject, so there is a weak case for

impact to all of the developments in the CMA. Further, the existing elderly developments located nearest to the subject in the CMA are established developments that maintain occupancy levels at or near 100%. There is a weak case for impact on the only proposed elderly development (South Miami Senior) located in the CMA, because it is also located over two miles from the subject. There is a weak case for overall short-term impact on all of the developments in the CMA. Any impact beyond the subject's lease-up would be considered long-term. Since the Miami-Dade economy and apartment market are expected to perform well over the long-term, and considering the distance from the subject for all of the developments, there is a weak case for long term impact to all of the properties located in the CMA. There are no Guarantee Fund developments located within five miles of the subject.

The weighted average occupancy rate for the stabilized like-kind (elderly) affordable developments in the subject's CMA is 98%, with a range between 96% and 100%. There are six stabilized affordable developments in the CMA that were considered like-kind (elderly) to the subject.

The subject property has 50 proposed affordable units for the elderly and six market rate units. Meridian projects that the subject will not likely be 100% pre-leased upon completion of construction. Since the subject only has one building, all of the units will be available at one time and Meridian believes that it will take approximately two months to lease up and get everybody moved in. Therefore, Meridian projects the subject development to attain an average absorption rate of approximately 26 units per month to reach a stabilized occupancy of 96% within two months of construction completion. Meridian also states that the subject's projected 2014 net rent restrictions based on required set-asides is below market rent, and should be achievable.

Community Service Facility
Study:

SMG reviewed a separate study, performed by Meridian dated January 30, 2014, related to the proposed Community Service Facility to be located on the ground floor of the subject development.

Internal Revenue Code Section 42 Low-Income Housing Credit ("Section 42") provides that the amount of the low-income housing credit determined for any taxable year in the credit period is an amount equal to the applicable percentage of the qualified basis of each qualified low-income building. Section 42(d)(4)(C)(iii) provides that the term "community service facility" means any facility designed to serve primarily individuals whose income is 60% or less of area median income (within the meaning of § 42(g)(1)(B)).

Under § 42(d)(4)(C)(iii), a community service facility must be designed to serve primarily individuals whose income is 60% or less of area median income. This requirement will be satisfied if the following conditions are met. First, the facility must be used to provide services that will improve the quality of life for community residents. Second, the taxpayer must demonstrate that the services provided at the facility will be appropriate and helpful to individuals in the area of the project whose income is 60% or less of area median income. This may, for example, be demonstrated in the market study required to be conducted under § 42(m)(1)(A)(iii), or another similar study. Third, the facility must be located on the same tract of land as one of the buildings that comprises the qualified low income housing project. Finally, if fees are charged for services provided, they must be affordable to individuals whose income is 60% or less of area median income.

Based on this definition Meridian believes the Facility is designed to serve primarily individuals whose income is 60% or less of AMI for the following reason:

- Services to be provided at the Facility—, career counseling, literacy training, education (including tutorial services), and recreation—are services that will help improve the quality of life for community residents
- The required market study under § 42(m)(1)(A)(iii) found that the services provided at the Facility would be appropriate and helpful to individuals in the area of the subject Building whose income is 60% or less of area median income
- Facility is to be located within subject apartment building; and therefore, the same tract of land

- Services provided at the Facility are affordable to individuals whose income is 60% or less of area median income

Based on Meridian's analysis The Education Center passes the four tests and should therefore be considered a Community Service Facility. Based on the opinion of Meridian SMG has included the costs of The Education Center in the qualified basis of the development. It is Seltzer's opinion that the Final determination of qualified basis and aggregate LIHTC for the subject development will be the Low-Income Housing Credit Allocation and Certification (IRS Form 8609).

Environmental Report:

GFA International, Inc. ("GFA") of Delray Beach, Florida performed a Phase I Environmental Site Assessment ("ESA") of the subject property between October 2, 2013 and October 9, 2013 in general accordance with ASTM Standard E-1527-05. The purpose of the site assessment was to assess current site conditions and render an opinion as to the presence of recognized environmental conditions ("REC") on the subject property.

The assessment revealed the following REC information. There are two pole mounted electrical transformers adjacent to the southeast corner and one pole mounted electrical transformer adjacent to the eastern boundary of the subject property. The transformers were noted to be in good condition. Florida Power and Light has discontinued the use of PCB containing transformers and capacitors; however, some older generation transformers may still be in use today. In accordance with FPL policy, in the event of a leak, spill, or release of PCB containing oil from one of these transformers, FPL is responsible for cleanup in accordance with local, state, and federal regulations.

A search of available environmental records was conducted by Environmental Data Resources, Inc.; this report meets the government records search requirements of ASTM Standard Practice for Environmental Site Assessments, E 1527-05. There are three historical auto stations and nineteen historical drycleaners within a quarter mile radius of the subject property. However, based on topographic relations and/or estimated groundwater flow and/or absence of releases, and/or regulatory status, these sites do not appear to impact the subject property.

The assessment performed by GFA revealed no evidence of RECs in connection with the subject property. No further environmental assessment is recommended.

Soil Test Report:

A Subsurface Exploration Report was conducted by Vertical V – Southeast, Inc. ("VERTICAL V") on June 28, 2012. The work was

performed in accordance with the procedures recommended in ASTM D-1586.

To explore the subsurface conditions at the subject site, VERTICAL V drilled eight Standard Penetration Test ("SPT") borings. The borings were drilled to depths of 20 feet for each of the four townhomes and to 30 feet within the footprint of the proposed 5-story building. The subsurface profile at the boring locations can be generally described in descending order as Topsoil, Sandy Limestone extending to 2-feet, followed by Limestone from 2-feet to 30-feet. Boring B-5 was extended to 35-feet and sand with silt was observed from 30-feet to 35-feet. Groundwater was observed at approximately eight feet from the existing grade. Fluctuations in the groundwater level on this site should be anticipated throughout the year due to seasonal variations in rainfall, drainage, and other factors.

VERTICAL V recommends the foundations for the proposed 5-story apartment building be supporting on a shallow foundation system with a bearing resistance of 3,500 pounds per square foot ("psf"). It is noted by SMG that the independent townhouses are no longer a part of the proposed development site plan. Further recommendations of the shallow foundation system are:

- Shallow foundation area should be stripped and cleared of all deleterious materials and construction debris.
- The area should be proof rolled until a minimum density of 95% of the modified Proctor density is achieved. Soil density tests are not required when the limestone layer is exposed at the bottom of the excavation.
- Field Density Tests must be performed to verify the degree of compaction obtained with the vibratory equipment. One test should be made approximately every 2,500 square feet for each 12-inch lift of compacted backfill and one for every isolated column.
- After all utilities are placed, the trench backfill must be compacted and tested to verify the 95% criteria. Fill lifts should be reduced to six inches when hand operated compaction equipment is utilized. The contractor shall submit method of fill replacement around conduits for review and acceptance by the Geotechnical Engineer.
- VERTICAL V recommends that a vapor barrier be placed on top of the structural fill before setting the reinforcing steel and placement of concrete slab.
- The slab for the 5-story structure should be jointed around the columns and along walls so that the slab and foundations can

settle differentially with limited physical damage. Joints containing dowels or keys must be used in the slab to permit rotational movement between sections of the slab to minimize cracking or sharp vertical displacements.

- The contractor shall submit to the VERTICAL V representative samples of each proposed fill material to determine the compaction and classification characteristics.

VERTICAL V estimates that, for use in the design of standard duty pavement (automobile parking lot and roadways), the traffic load should be 50,000 18-kip equivalent single axle load repetitions. VERTICAL V estimates that the subgrade material will have a minimum soil support value of 6 and a minimum modulus of subgrade reaction of 200 pounds per cubic inch. As a minimum pavement design VERTICAL V recommends that five inches of lime rock base be placed over the subgrade. For the surface course VERTICAL V recommends one and one half inches of Florida Department of Transportation Type S-1 asphaltic concrete surface course. As an alternate, a rigid concrete pavement with a minimum thickness of six inches may be placed over the subgrade material. The rigid pavement should be jointed at a maximum spacing of 20 feet to provide crack control.

It is further recommended, that an onsite engineering technician should provide monitoring during excavation, compaction, and testing procedures to ensure compliance with stated recommendations and to confirm subsoil conditions on which VERTICAL V's recommendations were based.

Plan and Cost Analysis:

SMG has received a Preconstruction Plan and Cost Analysis ("PCA") from zumBrunner, Inc. ("zumBrunner") dated February 20, 2014. The plans submitted for review were considered suitable for pricing, permitting and construction and appear to be well coordinated and in compliance with applicable codes and standards. However, some inconsistencies between the contract documents were identified by zumBrunner during their review. zumBrunner does not believe these inconsistencies are of a critical nature and indicates they can be clarified when the issue(s) are encountered during construction.

- Scope of Work, Note 3 on G-0.03 states "The construction of a new 10-story parking garage structure with rooftop amenities"
- Note 1 under Additional Accessible Requirements shown in Detail 1 on G-0.04, incorrectly states that "receptacle outlets shall not be less than 12 inches above the floor". Outlets should be a minimum 15" above the floor. Note B.1 included in the Typical

Unit Notes (A-1.21) under U.F.A.S. Floor Plan Notes, properly references the 15" dimension but only for controls and thermostats, not outlets.

- There are 71 parking spaces including 2 handicap-accessible spaces shown on the Pavement Marking and Sign Plan (drawing C-2). The total parking spaces provided per the calculations shown on A-0.01 is 74 with 2 handicap accessible spaces (shown as 2% of a total of 70).
- Per Florida Statute 553.5041 "Parking spaces for persons who have disabilities", if 51 to 75 total parking spaces are being provided, 3 spaces must be handicap accessible.
- Pavers over lightweight insulating concrete (LWIC) are shown on A-1.02 to be installed on the Level 2 terrace roofs. Per the Clarifications in Exhibit E of the construction contract, these roofs are to have TPO over LWIC. We assume this is a value-engineering item that has not yet been reflected on the drawings.
- The detail reference shown in the section cut 2/A-3.02 does not include the detail number or drawing information.
- The detail reference shown in the typical balcony detail (7/A-7.05) does not include the detail number or drawing information.

It should be noted that a Project Specifications Manual was not included with the Architectural Drawings nor was it included with the Construction Contract documents for this project. Based on information provided by Mr. Rick Padin, with Behar Font & Partners, P.A. (Architect), the Architect and Contractor have worked on numerous projects together; and will submit for approval the proper materials and methods that are required by code and local standards, and have never used separately issued specifications. Ms. Lauren Levrant, with Pinnacle Housing Group, also stated that approval of final finishes is handled through shop drawing submittals. While this is not standard practice, it is not highly unusual. Based on the size and complexity of this project, as well as the working history between the Architect and Contractor, zumBrunnen concludes that the Contract Documents as described above are sufficient to allow for the construction of Gibson Community.

zumBrunnen reviewed the February 5, 2014 Standard Form of Agreement between Owner and Contractor, General Conditions, and schedule of values. Based on zumBrunnen's experience with projects of similar type, size, and complexity, it is zumBrunnen's opinion that the hard cost construction budget is an accurate representation of the construction required by the Project Construction Documents and is sufficient to complete the work. Cost calculations do not include Builder's Risk Insurance and the cost of required permits; however, these costs are included in Total Development Costs.

The construction schedule included as an attachment to the GC Contract indicates a start date of March 17, 2014, with substantial completion on February 13, 2015. This beats the 335 day contractual requirement by 1 day. This appears to be an aggressive but reasonable schedule.

The Supplemental Conditions to the construction contract stipulate provisions for extension of the completion date including delay caused by Owner (or agents thereof) performed work, inclement weather, receipt of permits, and untimely work by local utilities.

zumBrunnen believes that, with the phased permitting and barring any major weather or utility delays, the 11-month duration schedule is reasonable.

zumBrunnen has compared the list of voluntary Features and Amenities with the construction documents. The following is a list of exceptions noted:

- Laundry Facility with full size washer and dryer - Not found in the construction documents provided for review.
- Microwave - Data sheet provided by Pinnacle Housing Group. No microwave shown in the unit elevations in the construction documents provided for review
- Steel exterior door frames - Exterior doors are shown to be sliding glass doors with aluminum frames in the construction documents provided for review.
- 1½ bathrooms in all 2-bedrooms - Two full baths are shown in all two-bedroom units in the construction documents provided for review.
- Double compartment kitchen sink - Construction documents provided for review show single bowl sinks (we assume that it was drawn that way for clarity). Data sheet for a 33" x 22" top mount double

bowl sink has been provided by Pinnacle Housing Group

- Wired for high speed internet - Not found in the construction documents provided for review

The recommendation is subject to all recommendations of the PCA being adhered to and the plans and specifications be updated to reflect all required features and amenities.

Borrower Information

Borrower Name: Gibson Center, Ltd

Borrower Type: a Florida Limited Partnership

Ownership Structure: Gibson Center, Ltd. is a Florida Limited Partnership formed June 15, 2012 for the purpose of transacting any and all lawful business, including owning and operating Gibson Community and Educational Center. Copies of the Certificate of Limited Partnership, current Certificate of Status, and Operating Agreement have been provided for the Applicant.

The managing co-general partner of the Applicant is PHG-Gibson, LLC, a Florida Limited Liability Company, with a .0030% ownership interest in the partnership. PHG-GP Holdings, LLC is the sole member of PHG-Gibson, LLC. The members of PHG-GP Holdings, LLC are Mr. Louis Wolfson, III; Mr. Michael D. Wohl; Mr. David O. Deutch; and Mr. Mitchell M. Friedman. The Articles of Incorporation, a current Certificate of Status, and Operating Agreement for the Managing GP were provided.

The non-managing general partner of the Applicant is CDC-Gibson, LLC, a Florida Limited Liability Company, with .0070% ownership interest in the partnership. Collaborative Development Corporation ("CDC") is the sole owner of CDC-Gibson, LLC, and is a Florida non-profit 501(c)(3) tax-exempt corporation. As such it has no shareholders.

Michael D. Wohl, is the initial limited partner with a 99.99% ownership interest. Mr. Wohl will be replaced by Wells Fargo Equity or an affiliate at closing of the HC Equity.

Contact Information: David Deutch
305-854-7100 (telephone)
305-859-9858 (facsimile)

Address: 9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156

Federal Employer ID: 45-3949510

Experience: The Applicant, Gibson Center, Ltd. is a newly formed entity formed expressly to acquire, own, develop, and operate real property, and has no development experience.

The co-developer of the subject is Pinnacle Housing Group, L.L.C. ("Pinnacle Housing"). The principals of Pinnacle Housing are Mr. Wolfson, Mr. Wohl, Mr. Deutch and Mr. Friedman. With a major focus on urban revitalization, Pinnacle has successfully developed and constructed more than 7,000 high-rise, mid-rise and garden

style affordable housing units in Florida and the Southeastern United States.

The other co-developer of the subject is CDC.

Credit Evaluation: A Dun & Bradstreet Report for Gibson Center, Ltd., PHG-Gibson, LLC, and CDC-Gibson, LLC are not available as these are newly formed entities.

A Dun & Bradstreet Credit Report for Pinnacle Housing dated December 10, 2013 reported no adverse information. A search of the public records revealed multiple Uniform Commercial Code filings on leased assets and negotiable instruments and products but no open suits, liens, or judgments.

Comprehensive credit reports for Mr. Wolfson, Mr. Wohl, Mr. Deutch, and Mr. Friedman dated December 10, 2013, reported no significant adverse information.

References: Bank and business references are not available for Gibson Center, Ltd. because it is a newly formed entity with limited or no activity to date.

Bank and business references for Pinnacle Housing Group, L.L.C. reported satisfactory payment relationships. SMG has received a verification of deposit from City National Bank for Pinnacle Housing Group, L.L.C. verifying a September 30, 2013 balance in the low seven figures.

Financial Statements: Gibson Center, Ltd. has no financial statements or tax returns since .003% of income and losses flow through to the Managing GP PHG-Gibson and the income and losses for PHG-Gibson flow through to the partners as follows: 25% to Mr. Wolfson, 25% to Mr. Wohl, 25% to Mr. Deutch and 25% to Mr. Friedman. Neither entity retains any assets.

Pinnacle Housing Group, L.L.C.:

Cash and Equivalents:	\$5,466,806
Total Assets:	\$23,864,572
Total Liabilities:	\$1,879,339
Total Equity:	\$21,985,233

Financial information is based on management prepared financial statements dated September 30, 2013, certified as true and correct by David Deutch. Assets other than cash and equivalents consist primarily of amounts due from affiliates (\$6,555,956) and amounts due from projects (\$10,075,131). Liabilities consist primarily of a City National Bank line of credit (\$1,512,500).

Pinnacle Housing reported contingent liabilities relating to operating deficit and construction completion guarantees totaling

approximately \$41,343,256. SMG has also reviewed the 2011 and 2012 income tax returns for Pinnacle Housing.

Seltzer has reviewed the personal financial statements dated September 30, 2013 and the 2011 and 2012 tax returns of Louis Wolfson III, Michael D. Wohl, David O. Deutch, and Mitchell M. Friedman members of the managing general partner. The information provided by the Applicant indicates that the individual members of the general partner appear to have the financial resources necessary to develop and operate Gibson Community and Educational Center.

Summary:

Based upon the financial information provided to SMG, the principals, individually, and collectively through various corporate and partnership entities, appear to have the experience and financial resources necessary to develop and operate Gibson Community and Educational Center.

Guarantor Information

Guarantor Name: Gibson Center, Ltd., PHG-Gibson, LLC, CDC Gibson, LLC, Pinnacle Housing Group, LLC, Collaborative Development Corporation and Louis Wolfson III, Michael D. Wohl, David O. Deutch, and Mitchell M. Friedman, personally.

Guarantor Address: 9400 South Dadeland Blvd.Suite 100
Miami, FL. 33156

Contact Information: David Deutch
305-854-7100 (telephone)
305-859-9858 (facsimile)

Guarantor Description: Gibson Center, Ltd. is newly formed and formed expressly to lease and develop Gibson Community and Educational Center. Therefore, PHG-Gibson, LLC, CDC Gibson, LLC, Pinnacle Housing Group, LLC, Collaborative Development Corporation and Louis Wolfson III, Michael D. Wohl, David O. Deutch, and Mitchell M. Friedman, personally will also provide guarantees.

Nature of the Guarantee: The Guarantors will provide a construction completion guarantee, and continuous environmental indemnity guarantee.

Financial Statements: Please refer to the Borrower Information section of this report.

Contingent Liabilities: Please refer to the Borrower Information section of this report.

Summary: Based upon the financial information provided, the Guarantors appear to have adequate financial strength to serve as the guarantors for this development.

Private Placement Bond Purchaser Information

Name: Citi Community Capital ("Citi")

Contact Person: Barry B. Krinsky
Vice President
(561) 362-4124 Telephone
barry.krinsky@citi.com E-Mail

Address: 998 S. Federal Highway, Suite 203
Boca Raton, FL 33432

Experience: Citi Community Capital offers a variety of services and products for non-profit and for-profit affordable housing, senior housing charter schools and healthcare facilities throughout the United States. Citi is an experienced affordable housing lender with more than 11,500 units financed and completed during 2013, serving families, veterans, and senior citizens.

Financial Statements: Citigroup, Inc. and Subsidiaries:

Cash and Equivalents:	\$36,453,000
Total Assets:	\$1,864,660,000
Total Liabilities:	\$1,673,663,000
Total Equity:	\$189,049,000

Financial information for Citigroup, Inc. and Subsidiaries is based on Audited Financial Statements for the period ending December 31, 2012. Citi is a subsidiary of Citigroup, Inc.

Summary: Citi has extensive experience in Multifamily Affordable Housing financing and is expected to close on the subject transaction.

Syndicator Information

Syndicator Name: Wells Fargo Community Lending and Investment ("Wells Fargo"), Charlotte, NC, or an affiliate.

Type: The syndicator is a subsidiary of Wells Fargo Securities, LLC

Contact Person: J. Frederick Davis, III
Senior Vice President

(954) 467-5551 Telephone
jfrederick.davis@wellsfargo.com E-Mail

Address: 1 East Broward Blvd., 4th Floor
Ft. Lauderdale, FL 33301

Experience: Wells Fargo provides financial and corporate advisory services, private capital, debt private placement, mergers and acquisitions advice, underwriting, and equity investing. It also offers real estate financing, risk management services, and structured products such as asset-backed and mortgage-backed securities. Wells Fargo possesses expertise in the retail, defense, aerospace, utilities, financial services, and healthcare, media, and technology industries. Wells Fargo has been helping developers and investors take advantage of tax credit opportunities since 1993. With over \$2.5 billion of equity invested in more than 400 low-income and historic tax credit properties, Wells Fargo is a long-term partner and an industry leader with a broad array of equity and debt solutions.

Financial Statements: *Wells Fargo & Company and Subsidiaries:*

Cash and Equivalents:	\$21,860,000
Total Assets:	\$1,422,968,000
Total Liabilities:	\$1,264,057,000
Total Equity:	\$158,911,000

Financial information for Wells Fargo & Company and Subsidiaries is based on Audited Financial Statements for the period ending December 31, 2012.

Summary: Wells Fargo has demonstrated that it has the experience and financial strength to serve as the equity investor (Syndicator) for this development.

General Contractor Information

General Contractor Name: PHG Builders, LLC ("PHG Builders")

Type: A Florida limited liability company

Contact Person: Felix Braverman

305-854-7100 (telephone)

305-859-9858 (facsimile)

Address: 9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156

Experience: PHG Builders was organized November 29, 1999, by Louis Wolfson, III, Mitchell Friedman, Michael Wohl and David Deutch, the company's officers and directors. The company is licensed in the State of Florida and engages in the construction of residential developments in the State of Florida, concentrating in Miami-Dade and Broward Counties. Work is performed under fixed-price contracts. The company's construction contracts vary but are typically less than two years. Therefore, its operating cycle is considered to be two years. PHG Builders have completed sixteen multifamily developments in the state of Florida and the Southeastern United States. PHG Builders is a related company to the owner and developer.

PHG Builder's Florida General Contractor License (No. CGCA55078) is in the name of Felix Braverman. It is valid through August 31, 2014.

Credit Evaluation: A Dun & Bradstreet Credit Report for Pinnacle Housing of which PHG Builders is an affiliate, dated December 10, 2013 reported no adverse information. A search of the public records revealed multiple Uniform Commercial Code filings on leased assets and negotiable instruments and products but no open suits, liens, or judgments.

Trade References: Trade references provided by PHG Builders reported satisfactory working relationships and payment history.

Financial Statements: PHG Builders, LLC

Cash and Equivalents:	\$2,945,922
Total Assets:	\$3,503,072
Total Liabilities:	\$1,521,464
Shareholders Equity:	\$1,981,608

Financial information for PHG Builders is based on management prepared financial statements dated September 30, 2013 and certified as true and correct by David Deutch. Assets other than cash and cash equivalents consist of contracts receivable (\$1,755,848) and amounts due from affiliates (\$12,920). Liabilities

consist of accounts payable (\$493,857) and retainage (\$1,012,760).

The Contractor is required to provide a Payment and Performance Bond in the full amount of the construction contract or a letter of credit. The P&P bonds must be issued through an Insurance Company rated at least A- by A.M. Best with a financial size category of XI. Florida Housing, and/or its legal counsel must approve the source, amount(s), and all terms of the P&P bonds and/or LOC. The Contractor is providing a LOC in an amount equal to 10% of the GC Contract amount.

Summary:

PHG Builders has the requisite experience to effectively construct Gibson Community and Educational Center.

Property Manager Information

Property Manager Name: Professional Management, Inc. ("PMI")

Type: A Florida corporation

Contact Person: Syrie Ortiz, Vice President
(305) 270-0870 Telephone
(305) 279-5703 Facsimile

Address: 9095 SW 87th Avenue, Suite 777
Miami, FL 33176

Experience: Formed in 1969, PMI provides real estate management services to institutional and private investors throughout Florida. Since its founding, PMI has managed more than 10,000 apartment units. PMI also manages commercial office buildings, condominiums, warehouses and shopping centers. PMI has a staff of 350 employees and regional offices in Orlando, Clearwater and Miami.

Management Agreement: The Applicant has submitted a Management Agreement between the Applicant and PMI reflecting a monthly management fee equal to \$2,500 or 5.97% of Effective Gross Revenue.. A one-time set-up fee equal to one half of one month management fee is due on the date the agent is requested in writing by the owner to begin market activity. Additionally, a one-time lease up fee of \$150 per unit will be assessed and will be due once the property is 100% occupied.

Management Plan: The Applicant has submitted a Management Plan that appears satisfactory.

Summary: PMI is currently a FHFC-approved management company. Continued approval is contingent upon ongoing satisfactory performance.

Exhibit 1
Gibson Community and Educational Center
15 Year Income and Expense Projection

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															
Gross Potential Rental Income	\$509,184	\$519,968	\$529,795	\$540,950	\$551,157	\$562,180	\$573,424	\$584,892	\$596,590	\$608,522	\$620,692	\$633,106	\$645,768	\$658,684	\$671,857
Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income:															
Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$6,720	\$6,854	\$6,991	\$7,131	\$7,274	\$7,419	\$7,568	\$7,719	\$7,874	\$8,031	\$8,192	\$8,355	\$8,523	\$8,698	\$8,867
Valet/Driver Rentals	\$13,440	\$13,709	\$13,988	\$14,263	\$14,548	\$14,835	\$15,136	\$15,438	\$15,747	\$16,062	\$16,383	\$16,711	\$17,045	\$17,386	\$17,734
Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Income	\$529,344	\$539,931	\$550,729	\$561,744	\$572,979	\$584,439	\$596,127	\$608,050	\$620,211	\$632,615	\$645,267	\$658,173	\$671,336	\$684,763	\$698,458
Less:															
Economic Loss - Percentage:															
Physical Vacancy Loss - Percentage: 4.0%	(\$21,174)	(\$21,597)	(\$22,029)	(\$22,470)	(\$22,919)	(\$23,378)	(\$23,845)	(\$24,322)	(\$24,808)	(\$25,305)	(\$25,811)	(\$26,327)	(\$26,853)	(\$27,391)	(\$27,938)
Collection Loss - Percentage: 1.0%	(\$5,293)	(\$5,399)	(\$5,507)	(\$5,617)	(\$5,730)	(\$5,844)	(\$5,961)	(\$6,080)	(\$6,202)	(\$6,326)	(\$6,453)	(\$6,582)	(\$6,713)	(\$6,848)	(\$6,985)
Total Effective Gross Revenue	\$502,877	\$512,934	\$523,193	\$533,657	\$544,330	\$555,217	\$566,321	\$577,647	\$589,200	\$600,984	\$613,004	\$625,264	\$637,769	\$650,525	\$663,535
Fixed:															
Ground Lease	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	\$36,904	\$38,011	\$39,151	\$40,326	\$41,536	\$42,782	\$44,065	\$45,387	\$46,749	\$48,151	\$49,596	\$51,084	\$52,616	\$54,195	\$55,821
Insurance	\$39,200	\$40,376	\$41,587	\$42,835	\$44,120	\$45,444	\$46,807	\$48,211	\$49,657	\$51,147	\$52,682	\$54,262	\$55,890	\$57,567	\$59,294
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable:															
Management Fee - Percentage: 0.0%	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143	\$40,317	\$41,527	\$42,773	\$44,056	\$45,378
General and Administrative	\$28,000	\$28,840	\$29,705	\$30,596	\$31,514	\$32,460	\$33,433	\$34,433	\$35,470	\$36,534	\$37,630	\$38,759	\$39,921	\$41,119	\$42,353
Payroll Expenses	\$86,250	\$88,838	\$91,503	\$94,248	\$97,075	\$99,987	\$102,987	\$106,077	\$109,259	\$112,537	\$115,913	\$119,390	\$122,972	\$126,661	\$130,461
Utilities	\$67,400	\$69,122	\$70,896	\$72,723	\$74,604	\$76,542	\$78,539	\$80,595	\$82,719	\$84,894	\$87,141	\$89,455	\$91,839	\$94,294	\$96,823
Marketing and Advertising	\$5,600	\$5,768	\$5,941	\$6,119	\$6,303	\$6,492	\$6,687	\$6,887	\$7,094	\$7,307	\$7,526	\$7,752	\$7,984	\$8,224	\$8,471
Maintenance and Repairs	\$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
Grounds Maintenance and Landscaping	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$18,999	\$19,572	\$20,159	\$20,764	\$21,386	\$22,026	\$22,689
Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract Services	\$7,000	\$7,210	\$7,426	\$7,649	\$7,879	\$8,115	\$8,358	\$8,609	\$8,867	\$9,133	\$9,407	\$9,690	\$9,980	\$10,280	\$10,588
Security	\$52,560	\$54,137	\$55,761	\$57,434	\$59,157	\$60,931	\$62,759	\$64,642	\$66,581	\$68,579	\$70,636	\$72,755	\$74,938	\$77,186	\$79,502
Other Pest Control	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	\$2,688	\$2,768	\$2,852	\$2,937	\$3,025
Revenue for Replacements	\$16,400	\$16,800	\$17,200	\$17,600	\$18,000	\$18,400	\$18,800	\$19,200	\$19,600	\$20,000	\$20,400	\$20,800	\$21,200	\$21,600	\$22,000
Total Expenses	\$399,115	\$410,584	\$422,584	\$434,568	\$447,099	\$460,008	\$473,808	\$487,503	\$501,609	\$516,138	\$531,103	\$546,517	\$562,394	\$578,746	\$595,590
Net Operating Income	\$103,762	\$102,350	\$100,795	\$99,091	\$97,231	\$95,209	\$93,513	\$91,144	\$89,591	\$87,846	\$86,191	\$84,747	\$83,376	\$82,081	\$80,857
Debt Service Payments:															
First Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826
Third Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fifth Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees - Agency/Trustee/Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826	\$27,826
Cash Flow After Debt Service	\$75,936	\$74,524	\$72,969	\$71,265	\$69,405	\$67,383	\$65,687	\$64,318	\$63,765	\$63,020	\$62,175	\$61,230	\$60,191	\$59,052	\$40,120
Debt Service Coverage Ratios															
DSC - First Only (Inc. Negative Arbitrage)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DSC - First and Second	3.729	3.678	3.622	3.561	3.494	3.422	3.325	3.240	3.148	3.049	2.943	2.830	2.709	2.580	2.442
DSC - First, Second and Third	3.729	3.678	3.622	3.561	3.494	3.422	3.325	3.240	3.148	3.049	2.943	2.830	2.709	2.580	2.442
DSC - First, Second, Third, and Fourth	3.729	3.678	3.622	3.561	3.494	3.422	3.325	3.240	3.148	3.049	2.943	2.830	2.709	2.580	2.442
DSC - First, Second, Third, Fourth, and Fifth	3.729	3.678	3.622	3.561	3.494	3.422	3.325	3.240	3.148	3.049	2.943	2.830	2.709	2.580	2.442
DSC - All Other Mortgages	3.729	3.678	3.622	3.561	3.494	3.422	3.325	3.240	3.148	3.049	2.943	2.830	2.709	2.580	2.442
DSC - All Mortgages and Fees	3.729	3.678	3.622	3.561	3.494	3.422	3.325	3.240	3.148	3.049	2.943	2.830	2.709	2.580	2.442
Financial Ratios															
Operating Expense Ratio	79.4%	80.0%	80.7%	81.4%	82.1%	82.9%	83.7%	84.4%	85.1%	85.9%	86.6%	87.4%	88.2%	89.0%	89.8%
Break-even Ratio	80.7%	81.2%	81.8%	82.3%	82.9%	83.5%	84.1%	84.8%	85.4%	86.0%	86.6%	87.3%	87.9%	88.6%	89.3%

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COMPLETENESS AND ISSUES CHECKLIST**DEVELOPMENT NAME:** Gibson Community and Educational Center**DATE:** February 25, 2014

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

CREDIT UNDERWRITING	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	

GOB AND MMRB CREDIT UNDERWRITING REPORT

SMG

11. Resumes and experience of applicant, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT'S RESPONSES: None

HC Allocation Calculation

Section I: Eligible/Qualified Basis Calculation	
Development Cost	\$14,881,673
Less Lease Payment	(\$650,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$1,582,910)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$12,648,763
Applicable Fraction	89.29%
DDA/QCT Basis Credit	130.00%
Eligible/Qualified Basis	\$14,681,600
Housing Credit Percentage	3.24%
Annual Housing Credit Allocation	\$475,684

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include construction costs associated with FHFC administrative fees, FHFC application fees, FHFC HC compliance fees, insurance costs, legal fees, marketing and advertising costs, property taxes, construction loan closing costs, construction loan interest, bond issuance costs, and operating deficit reserve, as shown in the HC Ineligible Costs column of the Uses of Funds schedules within Section A of this credit underwriting report.
2. The development has an 89.29% set-aside; therefore, the Applicable Fraction is 89.29%.
3. This development is in a Qualified Census Tract ("QCT") and in a Difficult Development Area ("DDA"). Therefore, the 130% basis credit has been applied.
4. Per Florida Housing Rule, 15 basis points are added to the actual percentage (3.09%) reported as of the date of invitation to credit underwriting for 4% Housing Credits. For purposes of this report, a Housing Credit Percentage of 3.24% is applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$14,881,673
Less Mortgages	(\$9,550,000)
Less Grants	\$0
Equity Gap	\$5,331,673
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$1.05
HC Required to Meet Gap	\$5,078,292
Annual HC Required	\$507,829

Notes to the Gap Calculation:

1. Mortgages include the \$500,000 City of Miami HOME and \$9,000,000 Miami-Dade County GOB loan.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon an January 14, 2014 term sheet from Wells Fargo Community Lending and Investments as described in the Permanent Financing Sources section in Section A of this credit underwriting report.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$12,648,763
Plus Lease Cost	\$650,000
Aggregate Basis	\$13,298,763
Tax-Exempt Bond Amount	\$7,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$495,608
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$7,495,608
Proceeds Divided by Aggregate Basis	56.36%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt bond loan amount to be 56.36% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Applicant Request	\$471,542
HC per Qualified Basis	\$475,684
HC per Gap Calculation	\$507,829
Annual HC Recommended	\$475,684

Notes to the Summary:

1. The estimated Annual HC Recommendation is based on the Qualified Basis.

Exhibit B
Development and Grant Agreement

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

**BETWEEN
MIAMI-DADE COUNTY
and
COLLABORATIVE DEVELOPMENT CORPORATION**

This Development/Grant Agreement ("Agreement"), by and between Miami-Dade County, a political subdivision of the State of Florida ("County" or "Miami-Dade County"), through its Board of County Commissioners ("Board") and Collaborative Development Corporation ("Grantee"), a Florida not-for-profit corporation, with offices at 3628 Grand Avenue, Miami, Florida 33133, is entered into this _____ day of _____, 2014.

WHEREAS, pursuant to Resolution No. R-893-11 adopted on October 4, 2011, as amended by Resolution No. R-931-13 adopted on November 5, 2013 (collectively, the "Allocation Resolution"), the Board approved a District 7 grant/allocation of \$8,500,000.00 and \$500,000.00, respectively, for a total of \$9,000,000.00 (the "Grant") from Project No. 249 - "Preservation of Affordable Housing Units and Expansion of Home Ownership" (the "Total Funding Allocation") of the Building Better Communities General Obligation Bond Program (the "BBC GOB Program") to Grantee for the development of affordable rental units; and

WHEREAS, the Grant shall fund the construction of fifty (50) affordable housing rental units (the "GOB Units") out of a total of fifty-six (56) rental units (the "Units") in Coconut Grove Village West located at 3629 Grand Avenue and 3632 Florida Avenue, Miami, Florida 33133 (the "Gibson Community Center Project" or "Project"); and

WHEREAS, pursuant to that certain Amended and Restated Ground Lease Agreement dated January 30, 2014, between the Theodore Roosevelt Gibson Memorial Fund, Incorporated (the "Fund"), as landlord, and Gibson Center, Ltd., a Florida limited partnership ("Gibson Center"), as tenant, the Fund is leasing the Property to Gibson Center; and

WHEREAS, Grantee will be loaning the proceeds of the Grant to Gibson Center which will be constructing the Gibson Community Center Project; and

WHEREAS, the GOB Units will be leased to certain Eligible Tenants (as that term is defined in Regulatory Agreement defined below) at certain rents based on a percentage of the annual area median income adjusted for family size ("AMI") established by the United States

Department of Housing and Urban Development ("HUD") in accordance with Rental Regulatory Agreement attached to, and incorporated in, this Agreement as Exhibit 1 (the "Regulatory Agreement"); and

WHEREAS, Gibson Community Center Project is estimated to cost approximately \$[Pending CUR] (the "Total Project Cost") with \$9,000,000 of that amount constituting Grant proceeds that will be allocated to the GOB Units and will be funded in accordance with the sources and uses and the budget (the "Budget"), both of which are set forth in Exhibit 2 to this Agreement; and

WHEREAS, pursuant to the terms of this Agreement, the County will fund (i) the Total Funding Allocation by making available, as soon as it is practicable, \$3,500,000 in Fiscal Year 2013-14 and \$5,500,000 in Fiscal Year 2014-15 (collectively, the "Funding Plan") to the Grantee or Gibson Center as provided in Section 4 of this Agreement; provided, however, the disbursement of Total Funding Allocation (as herein defined) is subject to the conditions set forth in this Agreement and, in particular, the covenant in Section 4; and

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

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

Section 1. Parties; Effective Date; and Term. The parties to this Agreement are the Grantee and the County. It is agreed by the parties that the Gibson Community Center Project will be constructed by Gibson Center in accordance with the description in Section 2 (the "Project Description") and the Budget in Section 5. The County Mayor has delegated the responsibility of administering this Agreement to the Internal Services Department.

This Agreement shall take effect as of the date written above upon its execution by the authorized officers of the County and of the Grantee (such date, the "Effective Date" or "Commencement Date") and shall terminate upon the completion and the issuance of a certificate of occupancy for the Gibson Community Center Project or thirty-six months from the date of the initial disbursement by the County pursuant to the terms of this Agreement, whichever occurs first. In this Agreement, Fiscal Year means the County's Fiscal Year which currently is October 1 through the following September 30th.

Section 2. The Gibson Community Center Project Description; Timetable; Use of Total Funding Allocation. The Gibson Community Center Project will consist of the Units (fifty (50) of which are to be set aside as GOB Units and an approximately 3,800 square foot educational/outreach center, which will not be funded from proceeds of the Grant. The GOB Units shall consist of twenty-six (26) one bedroom/one bath apartments and twenty-four (24) the two bedroom/two bath apartments with the general and optional features set forth in

Exhibit 3 to this Agreement. In addition to the rental units, the Gibson Community Center Project will also include a multi-purpose-community room, exercise room with equipment, library, computer lab and educational space for residents of the Project and surrounding community.

Gibson Community Center Project will include certain "green" or sustainable features in each of the apartments which are also described on Exhibit 3].

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

The Grantee may only use the Total Funding Allocation for the purpose of constructing the Gibson Community Center Project or loaning such Allocation to Gibson Center for the purpose of constructing the Project, in the manner described in this Section 2. Any revisions to the description of the Gibson Community Center Project shall require approval of the County in writing.

Section 3. Restrictive Covenant. The GOB Units shall be set aside for a mix of Eligible Tenants. Twelve (12) of the GOB Units (six (6) one-bedroom/one-bathroom GOB Units and six (6) two-bedroom/two-bathroom GOB Units) will be leased to Eligible Tenants with incomes equal to or less than fifty percent (50%) of AMI and the remaining thirty eight (38) GOB Units (twenty (20) one-bedroom/one-bathroom GOB Units and eighteen (18) two-bedroom/two-bathroom GOB Units) will be leased to Eligible Tenants with incomes equal to or less than sixty percent (60%) of AMI.

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

Section 4. Availability and Payment of Total Funding Allocation. Subject to availability of Total Funding Allocation as set forth in this Section 4, the receipt by the County of the documents set forth in Section VI of the Regulatory Agreement and the terms of this Agreement, the County agrees to make disbursements to the Grantee or if designated by the Grantee, Gibson Center or any lender that advanced funds used by Gibson Center to pay such invoices, as soon as it's practical, from available Total Funding Allocation for the Total Funding

Allocation in accordance with the BBC GOB five year capital plan and the Funding Plan for each Fiscal Year after receipt of invoices from the Grantee or from Gibson Center, with certification from the Grantee, for costs incurred in connection with the construction of Gibson Community Center Project in accordance with the Budget. With each request for reimbursement, the Grantee shall also provide a written statement that (a) the Grantee is not in default pursuant to the provisions of this Agreement and the Regulatory Agreement; (b) the Budget has not been materially altered without the County's approval; (c) all reports have been submitted; and (d) the reimbursement is in compliance with the IRC Reimbursement Rules defined below in this Section 4.

The Total Funding Allocation shall be disbursed on a reimbursement basis in accordance with the County's BBC GOB Administrative Rules which are attached as Attachment 1 ("Administrative Rules") and incorporated in this Agreement by this reference. By making the Total Funding Allocation pursuant to this Agreement, the County assumes no obligation to provide financial support of any type whatsoever in excess of the Total Funding Allocation. In no event shall the County have any obligation to fund more than the Total Funding Allocation. Grantee understands and agrees that reimbursements to the Grantee shall be made in accordance with federal laws governing the BBC GOB Program, specifically the Internal Revenue Code of 1986 and the regulations promulgated under it (the "IRC Reimbursement Rules"). Any reimbursement request by the Grantee or Gibson Center for eligible Gibson Community Center Project expenses shall be made no later than eighteen (18) months after the later of (a) the date the original expenditure is paid, or (b) the date the GOB Units are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid by the Grantee or Gibson Center. Notwithstanding the foregoing, provided the Grantee has submitted the required reimbursement request forms as described in the Administrative Rules together with all supporting invoices and is otherwise in compliance with this Agreement, the County will disburse a portion of the Total Funding Allocation in the amount requested by Grantee or Gibson Center no later than thirty (30) days after Grantee's or Gibson Center's submission of such reimbursement request when funds comprising the Total Funding Allocation are available.

The County shall only be obligated to reimburse the Grantee and/or make disbursements to Gibson Center provided the Grantee is not in breach of this Agreement beyond any applicable notice and/or cure period, is in compliance with the IRS Reimbursement Rules and the Grantee has demonstrated that it or Gibson Center has received commitments for funding (including the Total Funding Allocation) in amounts expected to be required to complete the Gibson Community Center Project. The Total Funding Allocation remaining to be disbursed under this Agreement shall be reduced by the amount of Total Funding Allocation disbursed from time to time pursuant to this Agreement. The County shall administer, in accordance with the Administrative Rules, the Total Funding Allocation available from the BBC GOB Program as authorized by Board Resolutions. Any and all reimbursement obligations of the County pursuant to this Agreement are limited to, and contingent upon, the availability of funding solely from the BBC GOB Program Total Funding Allocation allocated to fund the Gibson Community Center Project.

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

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

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

Section 6. Expenditure Deadline; Remaining Total Funding Allocation. The Grantee shall spend or commit all of the Total Funding Allocation on or before thirty-six months from the date of the initial disbursement by the County of Grant proceeds pursuant to the terms of this Agreement (the "Expenditure Deadline"). Any Total Funding Allocation not spent or committed by the Expenditure Deadline or for which a Gibson Community Center Project extension has not been requested shall revert to the County and this Agreement shall be terminated in accordance with the provisions of this Agreement. Disbursements of Funds are subject to the IRC Reimbursement Rules described in Section 4.

An extension to the Expenditure Deadline may be requested in writing from the County Mayor at least thirty (30) days prior to the Expenditure Deadline. The County Mayor, at his or

her discretion, may grant an extension of up to one (1) year from the Expenditure Deadline so long as such extension will not alter the Gibson Community Center Project including its quality, impact, or benefit to the County or its citizens or result in a violation of the IRC Reimbursement Rules. All extension requests may be authorized by the County Mayor and must include written justification for such an extension request to be warranted and a statement on the progress of the Gibson Community Center Project.

In any case, the Expenditure Deadline shall automatically be extended for delays caused by casualty, war, terrorism, unavailability of labor or materials, civil uprising, governmental delays, or other matters beyond Grantee's or Gibson Center's control including, without limitations, delays caused by the County's failure to disburse the Total Funding Allocation in accordance with the terms of this Grant Agreement but only to the extent such extensions would not violate the IRC Reimbursement Rules.

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

Quarterly Reports: The Grantee or Gibson Center must submit to the County Mayor, a written report documenting that the Grantee or Gibson Center is meeting, is fulfilling or has fulfilled all Project Description and Project Budget requirements. This report is to be received by the County Mayor no less than quarterly, and will end upon stabilization of the Project (as that term is defined in Gibson Center's limited partnership agreement).

Annual Statements: The Grantee shall also submit a written report to the County Mayor on or prior to September 30th of each year from the time of the execution of this Agreement through the termination of this Agreement demonstrating that the Grantee is fulfilling, or has fulfilled, its purpose, and has complied with all applicable municipal, County, state and federal requirements, and this Agreement, exhibits, and/or other substantive materials affecting this Agreement, whether by reference or as may be attached or included as a condition to the distribution of the Total Funding Allocation pursuant to the Funding Plan.

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

The County will notify the Grantee in writing if it does not receive a Report or Annual Statement timely. The Grantee shall have five (5) business days from the time it receives any such notice to respond and cure any reporting deficiency. The County may withhold the distribution of any portion of the Funding Allocation pursuant to this Agreement only after (a)

the County notifies the Grantee of a report deficiency, and (b) the Grantee fails to cure the report deficiency within the prescribed timeframes above.

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

Section 8. Project Monitoring and Evaluation. The County Mayor may monitor and conduct an evaluation of the Grantee's or Gibson Center's operations and the Project, which may include visits by County representatives to observe and discuss the progress of the Project with the Grantee's or Gibson Center's personnel. Upon request, the Grantee shall provide the County Mayor with notice of all meetings of its Board of Directors or governing board at which the Project is on the agenda, and Project-related events. In the event the County Mayor concludes, as a result of such monitoring and/or evaluation, that the Grantee is not in compliance with the terms of this Agreement or the Administrative Rules or for other reasons, then the County Mayor must provide in writing to the Grantee, within thirty (30) days of the date of said monitoring/evaluation, notice of the inadequacy or deficiencies noted which may significantly impact on the Grantee's ability to complete the Project and fulfill the terms of this Agreement within a reasonable time frame. If Grantee refuses or is unable to address the areas of concern within thirty (30) days of receipt of such notice from the County Mayor, then the County Mayor, at his or her discretion, may withhold the remaining portion of the Total Funding Allocation until such time as the Grantee can demonstrate that such issues have been corrected. Further, in the event that the Grantee does not expend any portion of the Total Funding Allocation for the Project or uses any portion of the Total Funding Allocation for costs not associated with the Project and the Grantee refuses or is unable to address the areas of concern, then the County Mayor may request the return of all or a portion of the Total Funding Allocation disbursed to date pursuant to this Agreement. The County Mayor may also institute a moratorium on applications from the Grantee to County grants programs for a period of up to one (1) year or until the deficient areas have been addressed to the satisfaction of the County Mayor, whichever occurs first.

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

The County Mayor may examine these books, records and documents at the Grantee's or Gibson Center's offices or other approved site under the direct control and supervision of the Grantee or Gibson Center during regular business hours and upon reasonable notice. Furthermore, the County Mayor may, upon reasonable notice and at the County's expense, audit or have audited all financial records of the Grantee, to the extent related to this Grant or the Project.

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

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

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

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

The provisions in this section shall apply to the Grantee, its contractors and their respective officers, agents and employees. The Grantee shall incorporate the provisions in this section in all contracts and all other agreements executed by its contractors in connection with the performance of this Agreement. Any rights that the County has under this Section shall not

be the basis for any liability to accrue to the County from the Grantee, its contractors or third parties for monitoring or investigation or for the failure to have conducted such monitoring or investigation and the County shall have no obligation to exercise any of its rights for the benefit of the Grantee.

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

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

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

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

The Grantee shall take all actions as may be necessary to ensure that its officers, agents, employees, assignees and/or subcontractors shall not act as nor give the appearance of that of an agent, servant, joint venture partner, collaborator or partner of the department

administering these grants, the County Mayor, the Miami-Dade County Board of County Commissioners, or its employees. No party or its officers, elected or appointed officials, employees, agents, independent contractors or consultants shall be considered employees or agents of any other party, nor to have been authorized to incur any expense on behalf of any other party, nor to act for or to bind any other party, nor shall an employee claim any right in or entitlement to any pension, workers' compensation benefit, unemployment compensation, civil service or other employee rights or privileges granted by operation of law or otherwise, except through and against the entity by whom they are employed.

The Grantee agrees to be responsible for all work performed and all expenses incurred in connection with the Gibson Community Center Project. The Grantee may subcontract as necessary to complete the Gibson Community Center Project, including entering into subcontracts with vendors for services and commodities, provided that it is understood by the Grantee that the County shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and that the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract. It is expressly understood that the Grantee will be loaning the proceeds of the Total Funding Allocation to Gibson Center who will be constructing the Gibson Community Center Project. The construction of the Gibson Community Center Project will be overseen by, and be the responsibility of, Gibson Center

The Grantee shall indemnify and hold harmless the County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including reasonable attorneys' fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement and/or the development of the Gibson Community Center Project by the Grantee or its employees, agents, servants, partners, principals, subconsultants or subcontractors (collectively, "Adverse Proceedings"). Grantee shall pay all claims and losses in connection with such Adverse Proceedings and shall investigate and defend all Adverse Proceedings in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments, and reasonable attorneys' fees which may result from such Adverse Proceedings. Grantee expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Grantee shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as provided in this Section 12.

Section 13. Assignment. Other than as provided in this Section, the Grantee is not permitted to assign this Agreement or any portion of it. Any purported assignment will render this Agreement null and void and subject to immediate rescission of the full amount of the Total Funding Allocation award and immediate reimbursement by the Grantee of the full amount of the Total Funding Allocation disbursed to the Grantee. The County acknowledges that the Grantee and/or Gibson Center will be obtaining additional financing for the Gibson Community Center Project and that such lender(s) may require an assignment of this Agreement and/or the Total Funding Allocation to such lender(s) as additional security for their loans. Such assignment will be expressly conditioned on the lender's agreement to use such

Total Funding Allocation solely in fulfillment of the purposes set forth in this Agreement. Any such financing obtained by the Grantee and/or Gibson Center for purposes of developing the Gibson Community Center Project will be senior in lien priority to the funding evidenced by this Grant Agreement. Nothing contained in this Section 13 shall be construed or deemed to prohibit Grantee from loaning the proceeds of the Grant to Gibson Center or directing the County to disburse such proceeds directly to Gibson Center.

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

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

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

All records of the Grantee and its contractors pertaining to Gibson Community Center Project shall be maintained in Miami-Dade County and, upon reasonable notice, shall be made available to representatives of the County. In addition, the IG shall have access thereto for any of the purposes provided in Sec. 2-1076 of the Code of Miami-Dade County.

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

Section 15. Default; Remedies and Termination.

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

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

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

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

(c) Remedies:

- (1) Upon the occurrence of a Grantee Default as provided in Section 15(a) and such default is not cured within the applicable grace period, in addition to all other remedies conferred by this Agreement, the Grantee shall reimburse the County, in whole or in part as the County shall determine, all of the Total Funding Allocation provided to the Grantee by the County pursuant to the terms of this Agreement and this Agreement shall be terminated.
 - (2) Either party may institute litigation to recover damages for any default or to obtain any other remedy at law or in equity (including specific performance, permanent, preliminary or temporary injunctive relief, and any other kind of equitable remedy), provided, however, any damages sought by the Grantee shall be limited solely to legally available BBC GOB funds allocated to the Gibson Community Center Project and no other revenues of the County.
 - (3) Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default.
 - (4) Any failure of a party to exercise any right or remedy as provided in this Agreement shall not be deemed a waiver by that party of any claim for damages it may have by reason of the default.
- (d) Termination:
- (1) Notwithstanding anything herein to the contrary, either party shall have the right to terminate this Agreement, by giving written notice of termination to the other party, in the event that a Grantee Default or County Default, as the case may be, has occurred and is continuing beyond any grace or cure period with respect to the other party, provided, however, such termination shall not be effective until all payments are made by Grantee to the County pursuant to (c) (1) of this Section 15 above.
 - (2) Termination of this Agreement by any Party is not effective until five (5) business days following receipt of the written notice of termination.
 - (3) Upon termination of this Agreement pursuant to Section 15(d)(1) above, no party shall have any further liability or obligation to the other party except as expressly set forth in this Agreement; provided that no party shall be relieved of any liability for breach of this Agreement for events or obligations arising prior to such termination.

In the event the Total Funding Allocation is canceled or the Grantee is requested to repay all or a portion of the Total Funding Allocation because of a breach of this Agreement, the

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

The Total Funding Allocation or any portion of it, which is to be repaid to the County pursuant to this Section or other sections in this Agreement, are to be repaid by delivering to the County Mayor a certified check for the total amount due payable to Miami-Dade County Board of County Commissioners.

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

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

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

Section 17. Written Notices. Any notice, consent or other communication required to be given under this Agreement shall be in writing, and shall be considered given when delivered in person or sent by facsimile or electronic mail (provided that any notice sent by facsimile or electronic mail shall simultaneously be sent personal delivery, overnight courier or certified mail as provided herein), one business day after being sent by reputable overnight carrier or 3 business days after being mailed by certified mail, return receipt requested, to the parties at the addresses set forth below (or at such other address as a party may specify by notice given pursuant to this Section to the other party):

The County:

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

Miami, FL 33128

Grantee:

Collaborative Development Corporation
3628 Grand Avenue
Miami, FL 33133
Attention: Mr. J. S. Rashid

Gibson Center:

David O. Deutch
Vice-President
Gibson Center, Ltd.
9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156
Email: David@pinnaclehousing.com

COPY TO:

Shutts & Bowen LLP
201 South Biscayne Boulevard, Suite 1500
Miami, Florida 33131
Attn: Robert Cheng
Email: rcheng@shutts.com

CITI:

Wells:

Wells Fargo Affordable Housing Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, North Carolina 23288
Attn: Director of Tax Credit Asset Management

COPY TO:

Sidley Austin LLP
One South Dearborn

Chicago, Illinois 60603
Attn: John Simon, Esq.

COPY TO:

Wells Fargo Bank, N.A.
MAC x2401-06T
1 Home Campus, 6th Floor
Des Moines, Iowa 50328-0001
Attn: Joel Hjelmaas, Senior Counsel

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

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

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

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

Section 21. Representations of the Grantee. The Grantee represents that this Agreement has been duly authorized by the governing body of the Grantee and that the governing body has granted J.S. Rashid, (the "Authorized Officer"), the required power and

authority to execute this Agreement on behalf of Grantee. The Grantee represents that it is a validly existing not-for-profit corporation in good standing under the laws of the State of Florida.

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

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

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

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

- A. Worker's Compensation Insurance for all employees of the vendor as required Section 440 of the Florida Statutes.
- B. Public Liability Insurance on a comprehensive basis in an amount not less than \$300,000 combined single limit per occurrence for bodily injury and property damage. **Miami-Dade County must be shown as an additional insured with respect to this coverage.**

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

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

or

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

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

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

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

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

[NO FURTHER TEXT]

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

ATTEST:

Miami-Dade County, Florida

By: _____
Deputy Clerk

By: _____
Miami-Dade County Mayor

Approved by County Attorney as
to form and legal sufficiency.

By: _____

(SEAL)

Collaborative Development Corporation, a Florida not-
for-profit corporation

Attest:

By: _____

By: _____
J.S. Rashid, President

Exhibit 1

Rental Regulatory Agreement

Exhibit 2

Budget

Attachment 1

Administrative Rules

Exhibit C
Rental Regulatory Agreement

This instrument Was Prepared By:

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

MIAMI-DADE COUNTY
RENTAL REGULATORY AGREEMENT

This Rental Regulatory Agreement (the "Agreement"), by and between Miami-Dade County, a political subdivision of the State of Florida (the "County" or "Miami-Dade County"), through its Board of County Commissioners (the "Board"), Collaborative Development Corporation ("Grantee"), a Florida not-for-profit corporation with offices at 3628 Grand Avenue Miami, Florida 33133, the Theodore Roosevelt Gibson Memorial Fund, Incorporated (the "Fund"), a Florida not-for-profit corporation with offices at 3634 Grand Avenue Miami, Florida 33133, and Gibson Center, Ltd. ("Gibson Center"), a Florida limited partnership, with offices at 9400 S. Dadeland Boulevard, Miami, Florida 33156, is entered into this ____ day of _____, 2014.

WHEREAS, pursuant to Resolution No. R-893-11 adopted on October 4, 2011, as amended by Resolution No. R-931-13 adopted on November 5, 2013 (collectively, the "Allocation Resolution"), the Board approved a District 7 grant/allocation of \$8,500,000.00 and \$500,000.00, respectively, for a total of \$9,000,000.00 (the "Grant") from Project No. 249 - "Preservation of Affordable Housing Units and Expansion of Home Ownership" of the Building Better Communities General Obligation Bond Program (the "BBC GOB Program") to Grantee for the development of affordable residential rental units; and

WHEREAS, the Grant shall fund the construction of fifty (50) affordable housing rental units described below (the "Units") out of a total of fifty-six (56) rental units in Coconut Grove Village West (the "Gibson Community Center Project" or "Project") located at 3629 Grand Avenue and 3632 Florida Avenue, Miami, Florida 33133 (the "Property"); and

WHEREAS, pursuant to that certain Amended and Restated Ground Lease Agreement dated January 30, 2014, between the Fund, as landlord, and Gibson Center, as tenant, the Fund is leasing the Property to Gibson Center (the "Ground Lease"); and

WHEREAS, Grantee will be loaning the proceeds of the Grant to Gibson Center who will be constructing the Gibson Community Center Project; and

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

WHEREAS, pursuant to the terms of the Ground Lease, the Fund agreed to join in and encumber its fee interest in the Property to the provisions of this Agreement; and

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

PROPERTY ADDRESS: 3629 Grand Avenue and 3632 Florida Avenue, Miami-Dade County, Florida 33133

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

NAME OF PROJECT: The Gibson Community Center Project

DWELLING UNITS:

- a) 6 Units: 1 bedroom /1 bath - 50% AMI
- b) 20 Units: 1 bedroom /1 bath - 60% AMI

- a) 6 Affordable Units: 2 bedroom /2 bath - 50% AMI
- b) 18 Affordable Units: 2 bedroom /2 bath - 60% AMI

ELIGIBLE TENANTS:

natural persons fifty-five (55) years or older or families consisting of natural persons fifty-five (55) years or older with total annual household income that does not exceed sixty percent (60%) of area median income for Miami-Dade County adjusted for family size ("AMI") as determined by the United States Department of Housing and Urban Development ("HUD"), except that with respect to twelve (12) of the Units, natural persons fifty-five (55) years or older or families consisting of natural persons fifty-five (55) years or older with total annual household income that does not exceed fifty percent (50%) of AMI

WITNESSETH:

- I. Grantee and Gibson Center agree with respect to the Units at the Property for the period beginning on the date of this Rental Regulatory Agreement, and ending on the last day of

the thirtieth (30th) year after the year in which the Project is completed and a certificate of occupancy is issued that:

- a). All of the Units shall be leased to Elderly Eligible Tenants as follows: Twelve (12) of the Units shall be leased to Eligible Tenants at monthly rents which are equal to or less than one twelfth ($1/12^{\text{th}}$) of 30% of annual incomes for households at or below fifty percent (50%) of AMI, minus a utility allowance in accordance with Section 42 of the Internal Revenue Code (the "Utility Allowance") and thirty-eight (38) of the Units shall be leased to Eligible Tenants at monthly rents which are equal to or less than one twelfth ($1/12^{\text{th}}$) of 30% of annual incomes for households at or below sixty percent (60%) of AMI, minus a Utility Allowance. Accordingly, the maximum initial approved rental rates for the Units are set forth in the attached Exhibit B. In the case of Section 8 Units, the HUD approved contract rent is allowed.
- b) The parties agree that once recorded, this Agreement shall be a restrictive covenant on the Project that shall run with the Property since the subject matter of this Agreement and its covenants touch and concern the Property. This Agreement shall be binding on the Property, the Project, and all portions of each, and upon any purchaser, transferee, Grantee, Gibson Center or lessee or any combination of each, and on their successors and assigns and on any other person or entity having any right, title or interest in the Property, the Project, or any portion of each, for the length of time that this Agreement shall be in force. Grantee and Gibson Center hereby make and declare these restrictive covenants which shall run with the title to said Property and be binding on the Grantee, the Fund and Gibson Center and their successors in interest, if any, for the period stated in the preamble above, without regard to payment or satisfaction of any debt owed by Grantee and/or Gibson Center to the County or the expiration of any agreement between the Grantee and/or Gibson Center and the County regarding the Property, Project or both.
- c) The Project consists of a five story step down to a three story building with a total of fifty-six (56) units of which the fifty (50) Units shall be leased to Eligible Tenants. The Units shall include, among other features, all full size appliances, including a microwave, ceramic tile, marble window sills, pantry and cable and internet availability as well as green features such as (i) energy star qualified refrigerator, dishwasher, water heater and ceiling fans; and (ii) water sense low-flow plumbing fixtures.
- d) Grantee and Gibson Center agree that upon any material violation of the provisions of this Agreement, the County, through its agent, PHCD, may give written notice to the Grantee, and Gibson Center, by registered mail, at the address stated in this Agreement, or such other address or addresses as may subsequently be designated by the Grantee and Gibson Center in writing to PHCD, and in the event Grantee or Gibson Center does not cure such default (or take measures reasonably satisfactory to PHCD to cure such default), within thirty (30) days after the date of notice, or within such further time as PHCD may determine is necessary for correction, PHCD may, without further notice, declare

a default under this Agreement, and effective upon the date of such default, PHCD may (i) declare the whole County Grant immediately due and payable and then proceed with legal proceedings to collect the Grant; and (ii) apply to any court in the State of Florida, County, State or Federal, for specific performance of this Agreement; for an injunction against the violation of this Agreement; or for such relief as may be appropriate since the injury to PHCD arising from a default remaining uncured under any of the terms of this Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

Notwithstanding (i) and (ii) above, the only remedy available to the County with respect to a lender or third party that takes title to the Project through a foreclosure, transfer of title by deed in lieu of foreclosure or comparable conversion is specific performance of the set aside provision in Section 1(g) below.

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

- e) Grantee and Gibson Center further agree that they will, during the term of this Agreement: furnish each resident of the Units at the time of initial occupancy, a written notice that the rents to be charged for the purposes and services included in the rents are approved by the County pursuant to this Agreement; that they will maintain a file copy of such notice with a signed acknowledgment of receipt by each resident; and, that such notices will be made available for inspection by the County during regular business hours and upon prior written notice.
 - f) Grantee and Gibson Center agree that the Units shall meet the energy efficiency standards promulgated by the Secretary of HUD, the Florida Housing Finance Corporation (hereafter "FHFC"), and/or the County, as applicable.
 - g) Notwithstanding the foregoing, the provisions set forth in Section 1(a), above, and the definition of Eligible Tenants described above, shall automatically be modified in the event of involuntary noncompliance caused by foreclosure, transfer of title by deed or assignment in lieu of foreclosure or comparable conversion. In such event, the Units in the Property shall be leased to natural persons fifty-five (55) years or older or families consisting of natural persons fifty-five (55) years or older with total annual household income at or below one hundred and forty percent (140%) of AMI.
- II. PHCD and Grantee agree that rents may increase as the AMI increases as published by HUD with the prior approval of PHCD, provided that at no time shall the Grantee's

management fee and expenses attributed to the Grantee for managing the Project shall be \$2500 per month in the first year escalating by 3% per year, thereafter. Any other adjustments to rents will be made only if PHCD (and HUD if applicable), in their sole but reasonable discretion, find any adjustments necessary to support the continued financial viability of the Project and only by an amount that PHCD (and HUD if applicable) determine is necessary to maintain continued financial viability of the Project. The Project shall be managed by the Grantee or a property management company (the "Management Company") on behalf of the Grantee. The initial Management Company is Professional Management, Inc. The Grantee shall notify and obtain the prior approval of PHCD, which approval shall not be unreasonably withheld, each time it plans to replace the Management Company.

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

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

IV. Occupancy Reports

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

- A) List of all occupied Units, indicating composition of each resident family, as of the end date of the reporting period. Composition includes (if legally obtainable and available), but is not limited to:
1. Number of residents per Unit.
 2. Area Median Income (AMI) per Unit.
 3. Race, Ethnicity and age per Unit (Head of Household).
 4. Number of Units serving special need clients.
 5. Gross Household Rent.
 6. Maximum rent per Unit.

7. The number of Units leased to Eligible Tenants with total annual household income that does not exceed fifty percent (50%) of AMI.
 8. The number of Units leased to Eligible Tenants with total annual household income that does not exceed sixty percent (60%) of AMI.
- B) A list of all vacant Units, as of the end date of the reporting period.
 - C) The total number of Affordable Unit vacancies that occurred during the reporting period.
 - D) The total number of Units that were re-rented during the reporting period, stating family size and income.
 - E) Gibson Center shall upon written request of PHCD allow representatives of PHCD to review and copy any and all of its executed leases with tenants residing on the Property in the Units.

V. Inspections

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

- A) PHCD shall annually inspect the Property, including a representative sampling of dwelling Units and all common areas, to determine if the Property is being maintained in compliance with Federal Housing Quality Standards (HQS) and any applicable Miami-Dade County Minimum Housing Codes. The Grantee will be furnished a copy of the results of the inspection within thirty (30) days, and will be given thirty (30) days from receipt to correct any deficiencies or violations of the property standards of the Miami-Dade County Minimum Housing Codes or Housing Standards. PHCD fees for the annual compliance inspection will total \$571.20 the first year increased annually by three (3%) each year.
- B) At other times, at the request of the Grantee or of any tenant, PHCD may inspect any Affordable Unit for violations to the property standards of any applicable Miami-Dade County Minimum Housing Codes or Housing Standards. The tenant and the Grantee will be provided with the results of the inspection and the time and method of compliance and corrective action that must be taken. The Units shall contain at least one bedroom of appropriate size for each two persons.

VI. Lease Agreement, Selection Policy and Management Plan

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

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

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

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

VII. Financial Reports

- A) Annually, Gibson Center shall transmit to the County, upon written request, a certified annual operating statement showing project income, expenses, assets, liabilities, contracts, mortgage payments and deposits to any required reserve accounts (the "Operating Statement"). PHCD shall review the Operating statement to insure conformance with all provisions contained in this Agreement.
- B) Gibson Center will create a designated escrow account to be maintained by Citi or any successor to Citi for the maintenance of the Units and will deposit \$300 per Affordable Unit per year in the escrow account (the "Replacement Amount"). An inflation factor of three per cent (3%) based on the Consumer Price Index shall be applied to the Replacement Amount each year commencing in the seventh year from the notice of commencement, unless waived or reduced by PHCD in accordance with a physical needs study prepared by an independent third party acceptable to PHCD that concludes that an increase in the Replacement Amount is excessive or unnecessary. This Replacement Amount may be combined with reserve accounts required by any other parties making loans or otherwise

providing financing (including equity) to Grantee and/or Gibson Center and will be deemed satisfied by any deposits made by Grantee and/or Gibson Center in accordance with such loan or equity documents if such deposits are equal to or more than the amounts required by this paragraph B.

VIII. Action By or Notice to the County

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

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

Copy to:

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

or any of their successor agencies or departments.

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

Collaborative Development Corporation
3628 Grand Avenue
Miami, FL 33133
Attention: Mr. J. S. Rashid

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

Charles A. Gibson
President
Theodore Roosevelt Gibson Memorial Fund, Inc
3634 Grand Avenue
Miami, Florida 33133

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

David O. Deutch
Vice-President
Gibson Center, Ltd.
9400 S. Dadeland Boulevard, Suite 100
Miami, Florida 33156

Copy to:

Wells Fargo Affordable Housing Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, North Carolina 23288
Attn: Director of Tax Credit Asset Management

Copy To:

Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
Attn: John Simon, Esq.

Copy To:

Wells Fargo Bank, N.A.
MAC x2401-06T
1 Home Campus, 6th Floor
Des Moines, Iowa 50328-0001
Attn: Joel Hjelmaas, Senior Counsel

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

{address}

Copy To:

IX. Recourse:

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

[NO FURTHER TEXT]

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MIAMI-DADE COUNTY, FLORIDA

By: _____

Mayor

STATE OF FLORIDA)

)

COUNTY OF MIAMI-DADE)

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

My commission expires:

Notary Public

State of Florida at Large

Approved by County Attorney as
To form and legal sufficiency

By: _____

ATTEST:

HARVEY RUVIN, CLERK

BY: _____

Deputy Clerk

FUND::

Theodore Roosevelt Gibson Memorial Fund,
Incorporated, a Florida not-for-profit corporation

By: _____

Print Name: Charles A. Gibson.

Title: President

STATE OF FLORIDA)

COUNTY OF MIAMI-DADE)

The foregoing Rental Regulatory Agreement was sworn to, subscribed and acknowledged before me this ____ day of _____, 2014, by Charles A. Gibson, the President of Theodore Roosevelt Gibson Memorial Fund, Incorporated, a Florida not-for-profit corporation, on behalf of the corporation. He is personally known to me _____ or has produced identification _____.

My commission expires:

Notary Public

State of Florida at Large

OWNER:

Gibson Center, Ltd., a Florida limited partnership

By: PHG-Gibson, LLC, a Florida limited liability company, its Managing General Partner

By: _____
David O. Deutch
Vice-President

STATE OF FLORIDA)
)
COUNTY OF MIAMI-DADE)

The foregoing Rental Regulatory Agreement was sworn to, subscribed and acknowledged before me this _____ day of _____, 2014, by David O. Deutch, Vice-President of PHG-Gibson, LLC, a Florida limited liability company, the Managing General Partner of Gibson Center, Ltd., a Florida limited partnership, on behalf of the company. He is personally known to me _____ or has produced identification _____.

My commission expires:

Notary Public
State of Florida at Large

EXHIBIT "A"

LEGAL DESCRIPTION

The South 50 feet of Lots 1 and 2, and all of Lots 3, 4, 5, 6, 18, 19, 20, 21, 22, and 23, Block 25, of AMENDED PLAT OF THE FROW HOMESTEAD, according to the Plat thereof, as recorded in Plat Book B, Page 106, of the Public Records of Miami-Dade County, Florida; LESS the south 10 feet of Lots 18 through 23, for road right-of-way

EXHIBIT "B"

INITIAL RENT

**GIBSON COMMUNITY & EDUCATIONAL CENTER
OPERATING PROFORMA**

56 units
50 affordable units
6 market units

<u>Size</u>	<u>No. Units</u>	<u>2014 Gross Rent</u>	ELECTRIC ONLY 12/01/13 DADE COUNTY		<u>MAXIMUM Net Rent</u>	<u>2014 Proforma Net Rent</u>	<u>Annual Income</u>
			<u>Less:</u>	<u>Util. Allow</u>			
1BR/1BA50%; 2 LOW HOME Units	6	637		(78)	559	559	40,248
1BR/1BA60%; 4 HIGH HOME Units	20	765		(78)	687	687	164,880
1BR/1BA MARKET	4					1,000	48,000
2BR/2BA50%; 1 LOW HOME Units	6	765		(99)	666	666	47,952
2BR/2BA60%; 4 HIGH HOME Units	18	918		(99)	819	819	176,904
2BR/2BA MARKET	2					1,300	31,200
Total Units	<u>56</u>						