

April 23, 2020

Ms. Mara M. Mades  
Solaris Apartments, Ltd.  
2100 Hollywood Boulevard  
Hollywood, FL 33020

RE: COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY FINANCING  
TO BE USED IN CONJUNCTION WITH TAX-EXEMPT MMRB AND NON-COMPETITIVE  
HOUSING CREDITS IN COUNTIES DEEMED HURRICANE RECOVERY PRIORITIES  
RFA 2019-102 / 2020-039D Solaris Apartments

Dear Ms. Mades:

Your development has been selected for participation in Florida Housing's Community Development Block Grant– Disaster Recovery (CDBG-DR) Financing for Workforce Housing for Hurricane Recovery in Broward County, pursuant to RFA 2019-102, the 2018 State of Florida Action Plan for Disaster Recovery, the Department of Economic Opportunity's (DEO) Workforce Housing Program Designs and Guidebooks, inclusive of All Exhibits, applicable laws, rules and regulations, relevant Federal Notices, Rule Chapters 67-53 and 67-60 Florida Administrative Code (F.A.C.). This letter represents a preliminary commitment for a loan from the CDBG-DR Program for up to \$7,920,000 for development funding.

This funding is contingent upon:

1. Borrower and Development meeting all requirements of RFA 2019-102, Rule Chapter 67-53, F.A.C., 24 CFR Part 570 and all other applicable state, federal and FHFC requirements; and
2. A positive credit underwriting recommendation; and
3. Final approval of the credit underwriting report by the Florida Housing Board of Directors.

First Housing Development Corporation has been assigned to underwrite and evaluate the above-referenced development and their contact information is listed below. The Credit Underwriter will contact you concerning any additional information required to complete a final credit underwriting report.

Ben Johnson, Seltzer Management Group, Inc.  
17633 Ashley Drive  
Panama City Beach, FL 32414

Unless an extension is approved by Florida Housing, failure to submit the required materials to the credit underwriter within the appropriate time frame shall result in the withdrawal of the preliminary commitment. In accordance with RFA 2019-102, the credit underwriting process, including Board-approval of the credit underwriting report and execution of a CDBG-DR written agreement by April 23, 2021 must be completed.

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Ron DeSantis, Governor

Board of Directors: Ron Lieberman, Chairman • Ray Dubuque, Vice Chairman  
Ryan Benson • Sandra Einhorn • LaTasha Green-Cobb  
Bill Gulliford • Ken Lawson

Harold "Trey" Price, Executive Director

Ms. Mara M. Mades  
April 23, 2020  
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Along with other Federal Requirements, the CDBG - DR Program is covered under Section 3 of the Housing and Urban Development Act of 1968[12 U.S.C. 1701u and 24 CFR Part 135]. Additionally, the requirements of Section 3 apply to recipients of funding exceeding \$200,000 for activities involving housing construction, demolition, rehabilitation, or other public construction, i.e. roads, sewers, community centers, etc. Contractors or subcontractors that receive contracts in excess of \$100,000 for Section 3 covered projects/activities are required to comply with the Section 3 regulations in the same manner as direct recipients. Along with your preliminary commitment, a Developer Section 3 Plan must be received (attached).

Florida Housing's agreement to provide funds to this development is conditioned upon its determination to proceed with, modify or cancel the development based on the results of a subsequent environmental review. The below listed contact has been assigned to prepare the HUD environmental review analysis for your Proposed Development and their address is listed below. The environmental review is expected to take approximately 90 days to complete.

Vicki Lewis, Intertek PSI  
1748 33<sup>rd</sup> Street  
Orlando, FL 32839

Please sign page 3 of this letter acknowledging your acceptance of this preliminary commitment, make a copy for your file and return the original to me no later than April 30, 2020.

You must provide the items identified as Exhibit A (Exhibit D of RFA 2019-102) attached to this invitation to Florida Housing within the timeframes specified; confirm principals identified as Exhibits B-1 and B-2; and complete the aforementioned Developer Section 3 Plan, identified as Exhibit C.

Florida Housing looks forward to working with you and the development team to facilitate the need for preservation of affordable housing in Florida. If you have any questions, please do not hesitate to contact me or Amanda Franklin at (850) 488-4197.

Sincerely,



David R. Westcott  
Director of Homeownership Programs  
alf/

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Ron DeSantis, Governor

Board of Directors: Ron Lieberman, Chairman • Ray Dubuque, Vice Chairman  
Ryan Benson • Sandra Einhorn • LaTasha Green-Cobb  
Bill Gulliford • Ken Lawson

Harold "Trey" Price, Executive Director

**OPPORTUNITY TO ENTER CREDIT UNDERWRITING  
RFA 2019-102 COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY  
FINANCING TO BE USED IN CONJUNCTION WITH TAX-EXEMPT MMRB AND NON-  
COMPETITIVE HOUSING CREDITS IN COUNTIES DEEMED HURRICANE RECOVERY  
PRIORITIES**

**ACKNOWLEDGMENT**

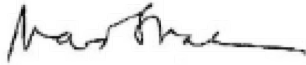
The undersigned hereby acknowledges and agrees to enter credit underwriting in accordance with the terms and conditions of Florida Housing's subject letter dated April 23, 2020.

Accept           X          

Decline                                 

Solaris Apartments  
Development Name

RFA 2019-102 /2020-039D  
ID Number

Signature:   
Print Name: Mara S. Mades  
Date: April 23, 2020

cc: Ben Johnson, Seltzer Management Group, Inc.  
Vicki Lewis, Intertek PSI  
Nicole Gibson, Assistant Director Homeownership Programs  
Tammy Bearden, Loan Closing Manager  
David Hines, Compliance Monitoring Administrator

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Ron DeSantis, Governor

Board of Directors: Ron Lieberman, Chairman • Ray Dubuque, Vice Chairman  
Ryan Benson • Sandra Einhorn • LaTasha Green-Cobb  
Bill Gulliford • Ken Lawson

Harold "Trey" Price, Executive Director

## Exhibit A

### Exhibit D – Timeline RFA 2019-102

The Applicant acknowledges and certifies that the following information will be provided by the due date outlined below, or as otherwise outlined in the invitation to enter credit underwriting. Failure to provide the required information by the stated deadline may result in the withdrawal of the invitation to enter credit underwriting, unless an extension is approved by the Corporation.

1. Within seven Calendar Days of the date of the invitation to enter credit underwriting, the Applicant shall respond to the invitation and submit the non-refundable credit underwriting fee;
2. If requested by the Corporation, within 14 Calendar Days, submit IRS Form 8821 for all Financial Beneficiaries and all natural person Principals disclosed on the CDBG-DR Principals of the Applicant and Developer(s) Disclosure Form (Form Rev. 06-19) in order to receive a recommendation for funding.
3. Within 21 Calendar Days of the date of the invitation to enter credit underwriting:
  - a. Provide the completed and executed Florida Housing Finance Corporation Verification of Environmental Safety Phase I Environmental Site Assessment form\*, and, if applicable, the completed and executed Florida Housing Finance Corporation Verification of Environmental Safety Phase II Environmental Site Assessment form\*.  
Note: If a Phase II ESA is required, but has not been completed by the stated deadline, contact Corporation staff to request an extension for submission of the Phase II ESA form;
  - b. Provide the identity of the remaining members of the Development Team (i.e., inexperienced co-Developer(s), General Contractor, Architect, Attorney, and Accountant,), as outlined below. The team members so identified, and any future replacement thereof, must be acceptable to the Corporation and the Credit Underwriter;
    - (1) Identify any inexperienced co-Developer(s) by providing the name, address, telephone and facsimile numbers, e-mail address, and the relationship of the co-Developer to the Applicant.
    - (2) Identify the General Contractor by providing the completed and executed Florida Housing Finance Corporation General Contractor or Qualifying Agent of General Contractor Certification form\*. Note: The prior experience chart must also be provided, as outlined in the form.
    - (3) Identify the Architect by providing the completed and executed Florida Housing Finance Corporation Architect Certification form\*.
    - (4) Identify the Attorney by providing the completed and executed Florida Housing Finance Corporation Attorney Certification for Housing Credits form\*.
    - (5) Identify the Accountant by providing the completed and executed Florida Housing Finance Corporation Certification of Accountant form\*.

## Exhibit A

\* The certification forms (Forms Rev. 10-17) which are available on the RFA Website. Note: The use of any prior version of these forms will not be acceptable to meet this requirement.

- c. Provide confirmation that all construction features committed to and proposed by the Applicant shall be located on the Development site;
  - d. Confirmation that, if the proposed Development meets the definition of Scattered Sites, all Scattered Sites requirements that were not required to be met in the Application will be met, including that all features and amenities committed to and proposed by the Applicant that are not unit-specific shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both. If the Applicant indicates that the proposed Development does not consist of Scattered Sites, but it is determined during credit underwriting that the proposed Development does meet the definition of Scattered Sites, all of the Scattered Sites requirements must have been met as of Application Deadline and, if all Scattered Sites requirements were not in place as of the Application Deadline, the Applicant's funding award will be rescinded;
  - e. The required information and documentation relative to the General Information Notice (required by the Uniform Relocation Act), conformance with Federal Labor requirements, as well as Debarment/Suspension and Lead Based Paint regulations, as outlined in Item 6 of Exhibit C, and all documentation regarding the Uniform Relocation Act as outlined in Section Four, A.11. of the RFA;
  - f. If the Development triggers Federal Labor Requirements, the Corporation will require, prior to the start of construction, certification by the Applicant that it has been advised by the Corporation of its responsibilities and obligations regarding the federal labor and wage requirements and that it agrees to comply with the guidelines;
  - g. The Applicant will be required to comply with the HUD environmental requirements as provided in 24 CFR Part 58;
  - h. The Applicant will be required to provide a certification that must be executed by the contractor for compliance with debarment and suspension regulations, as outlined in Item 6 of Exhibit C;
  - i. The Applicant must certify that it understands the requirements of the current HUD lead based paint regulations as outlined in Item 6 of Exhibit C; and
  - j. Provide notification of the percentage of ownership of the Principals of the Applicant. Upon the Applicant's acceptance of the invitation to enter credit underwriting, the Corporation will return the CDBG-DR Principals of the Application and Developer(s) Disclosure Form that was part of the Applicant's uploaded Application. The Applicant will be required to enter the applicable percentages on the form and return the completed form to the Corporation.
- 4. The credit underwriting process must be complete within the timeframe outlined in Exhibit F;
  - 5. By Certificate of Occupancy, the Applicant commits to participate in the statewide housing locator system, as required by the Corporation;

## Exhibit A

6. Applicants are required to execute a CDBG-DR written agreement within twelve (12) months of the date of the invitation to enter into credit underwriting. To meet this requirement, all Applicants that are invited to enter credit underwriting will be expected to complete the credit underwriting process and receive Board approval of the credit underwriting report prior to that date;
7. The Credit Underwriter will provide an itemized list for additional documentation including, but not limited to, the following:
  - a. If the Applicant indicated that the proposed Development will be assisted with funding under the RD 538 Program and expects to use such funding as a source of financing, the Section 538 Selection Letter sent to the Applicant by RD must be provided;
  - b. The Construction Consultant engaged by the Corporation's credit underwriter must provide the properly completed and executed Americans with Disabilities Act Certification forms certifying that the design of the proposed Development and the completed Development includes the applicable accessibility, adaptability, Visitability and universal design features required by the Corporation and proposed by the Applicant (Forms Rev. 10-14) which are available on the RFA Website;
  - c. For Developments with a Housing Assistance Payment Contract and/or an Annual Contributions Contract with HUD: Submission to the Corporation of the waiting list section of the Tenant Selection Plan for review and preliminary approval before sending to HUD. Such waiting list section shall establish selection preferences or a section for special admissions specifically for individuals or families that are referred by a designated Referral Agency serving the county where the Development is located; HUD approval of the Tenant Selection Plan shall be demonstrated to the Corporation prior to the completion of the final credit underwriting report; and
  - d. Confirmation of the proposed Development's eligibility for funding in the event that construction has commenced.
8. The Credit Underwriter will also verify information submitted by the Applicant, including, but not limited to the following:
  - a. The Applicant's Non-Profit status, if applicable;
  - b. Each Scattered Site meets the requirements of this RFA, if applicable;
  - c. The proposed Development's ability to meet the Enhanced Structural Systems Construction qualifications, if applicable;
  - d. The appraisals conducted during credit underwriting may cause a reduction in the funding amount;
  - e. With the exception of Developments financed with HUD Section 811 or United States Department of Agriculture RD program, Developments must demonstrate HUD approval for an owner-adopted preference or special admissions preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located;

## Exhibit A

- f. The proposed Development's first phase or subsequent phase's status;
- g. Review of the Total Development Cost and its effect on the Total Development Cost Per Unit Limitation;

If any of these cannot be verified, all funding awarded under this RFA may be reduced or may be rescinded if the award or the Application's eligibility status was based on such information, and/or the Applicant may be determined to have made a material misrepresentation.

- 9. The Rate of Growth Ordinance (ROGO) allocation from the Local Government must be approved.

**CDBG-DR Principal Disclosures for the Applicant**

**APPROVED for HOUSING CREDITS**  
**FHFC Advance Review 9.20.19**

Select the organizational structure for the Applicant entity:

The Applicant is a: Limited Partnership

Provide the name of the Applicant Limited Partnership:

Solaris Apartments, Ltd.

April 23, 2019

% Ownership input features will  
not be made available until  
invitation to credit underwriting

**First Principal Disclosure Level:**[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for the Applicant](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Applicant</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>	<u>% Ownership of Applicant</u>
1.	<u>General Partner</u>	<u>Cornerstone Solaris, LLC</u>	<u>Limited Liability Company</u>	
2.	<u>Investor LP</u>	<u>Lopez, Jorge</u>	<u>Natural Person</u>	
3.	<u>Non-Investor LP</u>	<u>Lopez, Awilda</u>	<u>Natural Person</u>	
4.	<u>Non-Investor LP</u>	<u>Wolfe, Leon J.</u>	<u>Natural Person</u>	
5.	<u>Non-Investor LP</u>	<u>Mades, Mara S.</u>	<u>Natural Person</u>	

**Second Principal Disclosure Level:**Solaris Apartments, Ltd.[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for the Applicant](#)

Select the corresponding First  
Level Principal Entity # from  
above for which the Second  
Level Principal is being  
identified

<u>Second Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding First Level Principal Entity</u>	<u>Enter Name of Second Level Principal</u>	<u>Select organizational structure of Second Level Principal identified</u>	<u>Second Level Principal % Ownership of First Level Principal</u>
<u>1. (Cornerstone Solaris, LLC)</u>	<u>1.A. Member</u>	<u>Lopez, Jorge</u>	<u>Natural Person</u>	
<u>1. (Cornerstone Solaris, LLC)</u>	<u>1.B. Member</u>	<u>Lopez, Awilda</u>	<u>Natural Person</u>	
<u>1. (Cornerstone Solaris, LLC)</u>	<u>1.C. Member</u>	<u>9501 Partners, LLC</u>	<u>Limited Liability Company</u>	
<u>1. (Cornerstone Solaris, LLC)</u>	<u>1.D. Member</u>	<u>Mades, Mara S.</u>	<u>Natural Person</u>	
<u>1. (Cornerstone Solaris, LLC)</u>	<u>1.E. Manager</u>	<u>Lopez, Jorge</u>	<u>Natural Person</u>	
<u>1. (Cornerstone Solaris, LLC)</u>	<u>1.F. Manager</u>	<u>Wolfe, Leon J.</u>	<u>Natural Person</u>	
<u>1. (Cornerstone Solaris, LLC)</u>	<u>1.G. Manager</u>	<u>Mades, Mara S.</u>	<u>Natural Person</u>	

**Third Principal Disclosure Level:**Solaris Apartments, Ltd.[Click here for Assistance with Completing the Entries for the Third Level Principal Disclosure for the Applicant](#)

Select the corresponding  
Second Level Principal Entity #  
from above for which the Third  
Level Principal is being  
identified

<u>Third Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding Second Level Principal Entity</u>	<u>Enter Name of Third Level Principal who must be either a Natural Person or a Trust</u>	<u>The organizational structure of Third Level Principal identified Must be either a Natural Person or a Trust</u>	<u>3rd Level Principal % Ownership of 2nd Level Principal</u>
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**CDBG-DR Principal Disclosures for the Applicant**

***APPROVED for HOUSING CREDITS***  
***FHFC Advance Review 9.20.19***

<u>1.C. (9501 Partners, LLC)</u>	<u>1.C.(1)</u>	<u>Member</u>	<u>Wolfe, Leon J.</u>	<u>Natural Person</u>	
<u>1.C. (9501 Partners, LLC)</u>	<u>1.C.(2)</u>	<u>Member</u>	<u>Wolfe, Lisa M.</u>	<u>Natural Person</u>	
<u>1.C. (9501 Partners, LLC)</u>	<u>1.C.(3)</u>	<u>Member</u>	<u>Wolfe, Margo</u>	<u>Natural Person</u>	
<u>1.C. (9501 Partners, LLC)</u>	<u>1.C.(4)</u>	<u>Member</u>	<u>Wolfe, Meryl</u>	<u>Natural Person</u>	
<u>1.C. (9501 Partners, LLC)</u>	<u>1.C.(5)</u>	<u>Member</u>	<u>Wolfe, Myles</u>	<u>Natural Person</u>	
<u>1.C. (9501 Partners, LLC)</u>	<u>1.C.(6)</u>	<u>Manager</u>	<u>Wolfe, Leon J.</u>	<u>Natural Person</u>	
<u>1.C. (9501 Partners, LLC)</u>	<u>1.C.(7)</u>	<u>Manager</u>	<u>Wolfe, Lisa M.</u>	<u>Natural Person</u>	

**Principal Disclosures for the two Developers**

**APPROVED for HOUSING CREDITS**  
**FHFC Advance Review 9.20.19**

How many Developers are part of this Application structure? (Please complete the Principal Disclosures for each of the two Co-Developers below.)

2

Select the organizational structure for the first Co-Developer entity:

The first Co-Developer is a: Limited Liability Company

Provide the name of the Developer Limited Liability Company:

Cornerstone Group Partners, LLC

**First Principal Disclosure Level:**

Cornerstone Group Partners, LLC

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Member</u>	<u>Lopez, Jorge</u>	<u>Natural Person</u>
2.	<u>Member</u>	<u>Lopez, Awilda</u>	<u>Natural Person</u>
3.	<u>Member</u>	<u>M3 Acquisitions, LLC</u>	<u>Limited Liability Company</u>
4.	<u>Member</u>	<u>M.S. Mades Family Limited Partnership</u>	<u>Limited Partnership</u>
5.	<u>Manager</u>	<u>Lopez, Jorge</u>	<u>Natural Person</u>
6.	<u>Manager</u>	<u>Wolfe, Leon J.</u>	<u>Natural Person</u>
7.	<u>Manager</u>	<u>Mades, Mara S.</u>	<u>Natural Person</u>

**Second Principal Disclosure Level:**

Cornerstone Group Partners, LLC

[Click here for Assistance with Completing the Entries for the Second Level Principal Disclosure for a Developer](#)

Select the corresponding First  
Level Principal Entity # from  
above for which the Second  
Level Principal is being  
identified

<u>Second Level Entity #</u>	<u>Select the type of Principal being associated with the corresponding First Level Principal Entity</u>	<u>Enter Name of Second Level Principal</u>	<u>Select organizational structure of Second Level Principal identified</u>
<u>3. (M3 Acquisitions, LLC)</u>	<u>Member</u>	<u>Wolfe, Leon J.</u>	<u>Natural Person</u>
<u>3. (M3 Acquisitions, LLC)</u>	<u>Member</u>	<u>Wolfe, Lisa M.</u>	<u>Natural Person</u>
<u>3. (M3 Acquisitions, LLC)</u>	<u>Manager</u>	<u>Wolfe, Leon J.</u>	<u>Natural Person</u>
<u>4. (M.S. Mades Family Limited Part</u>	<u>General Partner</u>	<u>M.S. Mades Associates, LLC</u>	<u>Limited Liability Company</u>
<u>4. (M.S. Mades Family Limited Part</u>	<u>Limited Partner</u>	<u>Mara S. Mades, Trustee of the Mara S. Mades Revocable Trust</u>	<u>Trust</u>

**Principal Disclosures for the two Developers**

**APPROVED for HOUSING CREDITS**  
**FHFC Advance Review 9.20.19**

Select the organizational structure for the second Co-Developer entity:

The second Co-Developer is a: Non-Profit Corporation

Provide the name of the Developer Non-Profit Corporation:

Residential Options of Florida, Inc.

**First Principal Disclosure Level:**

Residential Options of Florida, Inc.

[Click here for Assistance with Completing the Entries for the First Level Principal Disclosure for a Developer](#)

<u>First Level Entity #</u>	<u>Select Type of Principal of Developer</u>	<u>Enter Name of First Level Principal</u>	<u>Select organizational structure of First Level Principal identified</u>
1.	<u>Executive Director</u>	<u>Soukup, Sheryl</u>	<u>Natural Person</u>
2.	<u>Officer</u>	<u>Nappo, Frank</u>	<u>Natural Person</u>
3.	<u>Officer</u>	<u>Smith, Mary</u>	<u>Natural Person</u>
4.	<u>Officer</u>	<u>Edwards, Renee</u>	<u>Natural Person</u>
5.	<u>Director</u>	<u>Soukup, Sheryl</u>	<u>Natural Person</u>
6.	<u>Director</u>	<u>Nappo, Frank</u>	<u>Natural Person</u>
7.	<u>Director</u>	<u>Smith, Mary</u>	<u>Natural Person</u>
8.	<u>Director</u>	<u>Edwards, Renee</u>	<u>Natural Person</u>
9.	<u>Director</u>	<u>Gregory, Damian</u>	<u>Natural Person</u>
10.	<u>Director</u>	<u>Stevens, Richard</u>	<u>Natural Person</u>
11.	<u>Director</u>	<u>Leigh, Kathy</u>	<u>Natural Person</u>

## Exhibit C

### DEVELOPER SECTION 3 PLAN

**DEVELOPMENT NAME:** \_\_\_\_\_

**DEVELOPER:** \_\_\_\_\_

**CDBG FUNDS AWARDED:** \_\_\_\_\_

This Plan will serve as the Section 3 Plan for the above project in compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12. U.S.C. 1701u).

The purpose of Section 3 is to ensure that training, employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and Local laws and regulations, be directed to the greatest extent possible to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns, which provide economic opportunities to low- and very low-income persons.

#### **NUMERICAL GOALS FOR TRAINING AND EMPLOYMENT OPPORTUNITIES**

The \_\_\_\_\_ **(Developer)** will, to the greatest extent feasible, when awarding contracts or providing training and/or employment opportunities for activities or projects subject to the requirements of Section 3, strive to comply with the goals established in this section.

The numerical goals established in this section represent minimum numerical targets.  
Recipients must attempt to reach the Section 3 minimum numerical goals found at 24 CFR Part 135.30 by:

1. Offering 30% of new employment opportunities to Section 3 Residents

##### *Order of Priority for Employment and Training Preference*

In meeting the 30% goal, employment and training preference should be applied in the following order of priority:

- a. Category 1 – Residents in the service area or neighborhood
- b. Category 2 – Participant's in HUD's Youthbuild program
- c. Category 3 – Homeless persons in the service area
- d. Category 4 – Other Section 3 Residents

Section 3 Residents must demonstrate that they meet the qualifications for new employment opportunities created.

#### **NUMERICAL GOALS FOR CONTRACTING ACTIVITIES:**

These goals apply to contract awards in excess of \$100,000 in connection with a Section 3 eligible project, and it applies to developers, contractors and subcontractors.

The \_\_\_\_\_ **(General Contractor)** will, to the greatest extent feasible, award to Section 3 business concerns by:

1. Awarding 10% of the total dollar amount of all covered construction contracts to Section 3 Business Concerns
2. Awarding 3% of the total dollar amount of all other Section 3 covered contracts (non-construction contracts)

## Exhibit C

### *Order of Priority for Contracting Preference*

In meeting the 10% goal, preference for Section 3 Business Concerns should be applied in the following order of priority:

- a. Category 1 – Section 3 Businesses that provide jobs and training for local residents
- b. Category 2 – Applicants selected to administer Youthbuild programs
- c. Category 3 – Other Section 3 business concerns

Section 3 Business Concerns must submit evidence to demonstrate that they are responsible firms and have the ability to perform successfully under the terms and conditions of the proposed contract.

All contracts (prime and sub contracts) in excess of \$100,000 must include the Section 3 Clause at 24 CFR 135.38.

Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable HUD to make a compliance determination.

### **QUARTERLY REPORTING:**

The developer shall provide a Section 3 Activity Summary Report to the Servicer identifying its progress in meeting the Section 3 goals throughout the construction period. The report shall be submitted no later than 3 calendar days after the end of each calendar quarter.

### **PRECONSTRUCTION CONFERENCE:**

The Servicer shall provide Section 3 training at the preconstruction conference which will be held before loan closing. The conference is for borrowers, general contractors, and subcontractors to obtain necessary information and documentation in order to meet the requirements.

In compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, we the undersigned have read and agree to the terms in the Section 3 Plan for this project. We acknowledge being a party to this Plan and further pledge our commitment to adhere to the objectives set forth.

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**Applicant's Chief Executive Officer**

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**Date**

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**General Contractor's Chief Executive Officer**

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**Date**

This Section 3 Plan and the attached Section 3 Training/Employment Goals and Section 3 Contracting Goals are due along with the CDBG funding Preliminary Commitment.

## Exhibit C

### SECTION 3 TRAINING/EMPLOYMENT GOALS

**DEVELOPMENT NAME:** \_\_\_\_\_

**DEVELOPER:** \_\_\_\_\_

**GENERAL CONTRACTOR:** \_\_\_\_\_

Job Category	# of New Hires Needed	# of Core Employees	# of New Hires that will be Section 3 Residents
Professionals			
Technicians			
Office/Clerical			
Construction by Trade (List)			
Trade			
Trade			
Trade			
Trade			
Trade			
Trade			
<b>Total</b>			

Job Category - Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade. The category of "Other" includes occupations such as service workers.

New Hires - Full-time employees for permanent, temporary or seasonal employment opportunities.

Core Employees - All employees on an individual company's payroll on or before the effective date of signing the Section 3 contract.

Section 3 Resident:

1. A resident of Public or Indian Housing; or
2. An individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended and whose income does not exceed the local HUD income limits set forth for low- and very low-income households.
  - low income = 80% or below the median area income
  - very low income – 50% or below the median area income

## Exhibit C

### SECTION 3 CONTRACTING GOALS

**DEVELOPMENT NAME:** \_\_\_\_\_

**DEVELOPER:** \_\_\_\_\_

**GENERAL CONTRACTOR:** \_\_\_\_\_

Type of Contract	Number of Contracts	Dollar Amount of all Contracts	Number of Contracts to Section 3 Business Concerns	Dollar Amount of Contracts to Section 3 Business Concerns
Construction		\$		\$
Non-Construction		\$		\$

#### Section 3 Business Concern:

1. A Business that is 51% or more owned by Section 3 residents; or
2. A Business whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
3. A Business that provides evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

## RAYMOND JAMES

September 16, 2019

Ms. Mara S. Mades  
Solaris Apartments, Ltd.  
c/o The Cornerstone Group  
2601 South Bayshore Drive, Suite 725  
Miami, FL 33133

Re:      Project:                      Solaris Apartments  
         Partnership/Applicant:      Solaris Apartments, Ltd.  
         Fund:                              To be determined  
         Property Location:          Hallandale Beach, Broward County, Florida

Dear Ms. Mades,

This letter of intent for construction and permanent tax credit equity financing will confirm our agreement ("Agreement") whereby Raymond James Tax Credit Funds, Inc. ("RJTCF") shall attempt to effect a closing ("Closing") of an investment by a Fund sponsored by RJTCF (the "RJTCF Fund") in the above named Partnership ("Partnership") on the assumptions, terms, and conditions contained in this letter of intent, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

Based upon the Partnership receiving \$937,232 in annual low income housing tax credits, and further based on terms and conditions as set forth below, the anticipated total equity investment of the RJTCF Fund in the Project, rounded to the nearest thousand, is \$8,903,000 or \$0.95 per low income housing tax credit allocated to the RJTCF Fund, subject to market conditions. The Applicant is the beneficiary of the equity proceeds. The RJTCF Fund anticipates purchasing \$9,371,383 (99.99%) of the total low income housing tax credits allocated to the Applicant. The RJTCF Fund's net investment is anticipated to be funded based upon the following schedule (rounded to the nearest thousand):

- 15% (\$1,336,000) paid prior to or simultaneous with the closing of construction financing
- Balance (\$7,567,000) paid at project stabilization and receipt of 8609s
- The amount of equity to be paid prior to construction completion shall be \$1,336,000.

This letter of intent is subject to RJTCF's satisfactory completion of its normal due diligence, and is also subject to the approval by the Investment Committee of RJTCF of the terms and conditions of the investment in its sole discretion based on then current market conditions, including availability of investment funds and pricing for tax credits.

**Raymond James Tax Credit Funds, Inc.**  
**A Subsidiary of Raymond James Financial, Inc.**

880 Carillon Parkway • St. Petersburg, FL 33716  
800-438-8088 Toll Free • 727-567-8455 Fax  
Visit our Web Site at [www.RJTCF.com](http://www.RJTCF.com)



Since 1987, Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 1,900 properties nationwide. We look forward to working with you.

Sincerely,



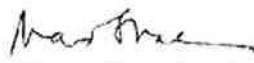
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Sean Jones  
VP - Director of Acquisitions  
Raymond James Tax Credit Funds, Inc.

Acknowledged and Accepted:

Solaris Apartments, Ltd., a Florida limited partnership

By: Cornerstone Solaris, LLC, a Florida limited liability company  
Its: General Partner

By:   
Name: Mara S. Mades  
Title: Manager  
Date: September 16, 2019

## Proforma

Project Name  
Number of Units  
County  
Annual Median Income  
% Sq Ft < 80% AMGI  
Density

Solaris	78	15%	40%	45%	0%	
78	<b>Unit Type</b>	<b>% Total</b>	<b>30%</b>	<b>60%</b>	<b>70%</b>	<b>Market</b>
Broward	1BR	33%	4	10	11	0
89,100	2BR	51%	6	16	17	-
100%	3BR	18%	2	7	5	0
42	<b>Total</b>	<b>100%</b>	<b>12</b>	<b>33</b>	<b>33</b>	<b>0</b>

	Units	% AMI	Avg. Unit Size	Total Sq. Ft.	Gross Rent	Less: Utilities	Net Rent	Projected	Annual Income
1 Bed/1 Bath	4	30%	733	2,932	501	-\$59	\$442	\$442	\$21,216
1 Bed/1 Bath	10	60%	733	7,330	1,002	-\$59	\$943	\$943	\$113,160
1 Bed/1 Bath	11	70%	733	8,063	1,169	-\$59	\$1,110	\$1,110	\$146,520
1 Bed/1 Bath - Market	0	60%	733	-	-	-	-	-	\$0
2 Bed/2 Bath	6	30%	1019	6,114	601	-\$71	\$530	\$530	\$38,160
2 Bed/2 Bath	16	60%	1019	16,304	1,203	-\$71	\$1,132	\$1,132	\$217,344
2 Bed/2 Bath	17	70%	1019	17,323	1,403	-\$71	\$1,332	\$1,332	\$271,728
2 Bed/2 Bath - Market	0	60%	1019	-	1,437	-\$71	-	-	\$0
3BR/2 Bath avg size	2	30%	1396	2,792	695	-\$78	\$617	\$617	\$14,808
3 Bed/2 Bath	7	60%	1396	9,772	1,390	-\$78	\$1,312	\$1,312	\$110,208
3 Bed/2 Bath	5	70%	1396	6,980	1,622	-\$78	\$1,544	\$1,544	\$92,640
3 Bed/2 Bath - Market	0	60%	1396	-	2,070	-\$78	-	-	\$0

<b>TOTAL RENTAL REVENUE</b>	<b>78</b>	<b>995</b>	<b>77,610</b>	<b>\$</b>	<b>1,096</b>	<b>\$1,025,784</b>
Plus: Other Income		Penetration	Per Unit/Month			
Misc Income		100%	\$12.00			\$11,232
Coin Laundry		0%	\$12.00			\$0
Washer/Dryer		90%	\$50.00			\$42,120
Intrusion Alarms		0%	\$30.00			\$0
Cable Income		0%	\$17.50			\$0
Retail Income	95%	\$0.00	-			\$0
Gross Potential Income						\$1,079,136
Less: Vacancy Factor	5.00%					(53,957)
<b>Effective Gross Income</b>						<b>1,025,179</b>
Less: Operating Expenses	\$	(7,657)				(597,259)
Less: Replacement Reserve	\$	(300)				(23,400)
<b>Net Operating Income</b>						<b>\$404,520</b>
Land Lease Payment						\$ -
Cash Flow Before Debt Service						\$404,520

Description	% Total	\$/Unit	Loan	Int. Rate	Amortization	Constant	Debt Service	Loan/Unit
First Mortgage Loan	52%	198,718	15,500,000	4.01%	35	5.40%	\$ 836,720	\$ 69,231
First Mortgage Redemption	-34%	(129,487)	(10,100,000)	4.01%	35	5.40%	\$ (545,218)	
Surtax/SHIP	0%	-	-	1.00%	Pay rate	1.00%	\$ -	
HOME	0%	-	-	0.25%	Interest Only	0.25%	\$ -	
SAIL	0%	-	-	1.25%	Interest Only	1.25%	\$ -	
CDBG	26%	101,538	7,920,000	0.25%	Interest Only	0.25%	\$ 19,800	
Other	0%	-	-	0.00%	Interest Only	0.00%	\$ -	
Other	0%	-	-	0.00%	35		\$ -	
Broward County AHTF 2020	8%	31,410	2,450,000	0.00%	35		\$ -	
Broward County AHTF 2019	3%	12,821	1,000,000	0.00%	30	0.00%	\$ -	
Hall. Beach CRA Forgivable Loa	3%	12,821	1,000,000	0.00%		0.00%	\$ -	
Deferred Developer Fee	10%	38,701	3,018,648				\$ -	
<b>Total</b>		<b>266,521</b>	<b>20,788,648</b>			<b>\$</b>	<b>311,302</b>	
Cash Flow After DS							\$93,218	
CF after first mortgage							\$93,218	
Debt Service Coverage - First Mortgage							1.3877	
Debt Service Coverage - Total Loans							1.30	

# Solaris Schedule

	<b><u>Completed</u></b>
Site Plan Approval	12/2020
Construction Docs	2/2021
Permitting	6/2021
Construction Start	6/2021
Construction Complete	8/2022
Begin Lease up	5/2022
Complete Lease up	12/2022
Stabalization	3/2022

## Solaris

October 2020

### DEVELOPMENT COSTS

<i>Actual Construction Cost</i>	
Accessory Buildings	\$ -
Demolition	\$ -
New Rental Units	\$ 12,449,820
*Off Site Work (explain in detail)	\$ -
Recreational Amenities	\$ -
Site Work	\$ 1,974,180
*Other (explain in detail)	\$ -
<b>A1.1 Actual Construction Cost</b>	<b>\$ 14,424,000</b>
<b>A1.2. General Contractor Fee (3)</b> (Max. 14% of A1.1., column 3)	<b>\$ 2,018,000</b>
<b>A1.3. TOTAL ACTUAL CONSTRUCTION COSTS</b>	<b>\$ 16,442,000</b>
Hard Cost Contingency	\$ 822,100
<i>General Development Cost</i>	
Accounting Fees	\$ 45,000
Appraisal	\$ 10,000
Architect's Fee-Site/Building Design	\$ 305,000
Architect's Fee-Supervision	\$ 15,000
Builder's Risk Insurance	\$ 70,200
Building Permit	\$ 249,600
Brokerage Fee-Land/Buildings	\$ -
Capital Needs Assessment	\$ 10,000
Engineering Fees	\$ 58,500
Environmental Report	\$ 8,400
FHFC Administrative Fee	\$ 85,854
FHFC Application Fee	\$ 3,000
FHFC Compliance Fee (6)	\$ 212,627
FHFC Credit Underwriting Fees	\$ 37,000
Green Building Certification/ HERS Inspection Costs	\$ -
Impact Fees	\$ 340,999
Inspection Fees	\$ 50,000
Insurance	\$ 68,250
Legal Fees	\$ 250,000
Market Study	\$ 5,000
Marketing/Advertising	\$ 110,000
Property Taxes	\$ 80,000
Soil Test Report	\$ 15,000
Survey	\$ 35,000
Title Insurance & Recording Fees	\$ 136,500
Utility Connection Fee	\$ 214,500
Other	\$ 293,250

**Solaris**

October 2020

*Financial Costs*

Construction Loan	
Origination/Commitment Fee(s)	\$ 155,000
Construction Loan Credit Enhancement	
Fee(s)	\$ -
Construction Loan Interest	\$ 990,000
Permanent Loan	
Origination/Commitment Fee(s)	\$ 54,000
Permanent Loan Credit Enhancement	
Fee(s)	\$ 481,868
Permanent Loan Closing Costs	\$ -
Bridge Loan Origination/Commitment	
Fee(s)	\$ -
Bridge Loan Interest	\$ -
Non-Permanent Loan(s) Closing Costs	\$ -
*Other (explain in detail)	\$ -
<b>A3. TOTAL FINANCIAL COSTS</b>	<b>\$ 1,680,868</b>
<b>B1. ACQUISITION COST OF EXISTING DEVELOPMENTS (EXCLUDING LAND)</b>	
Existing Buildings	\$ -
<b>B2. *Other (explain in detail)</b>	<b>\$ -</b>
<b>C. DEVELOPMENT COST (A1.3+A2+A3+B1+B2)</b>	<b>\$ 21,788,148</b>
<b>D. DEVELOPER'S FEE (1)</b>	<b>\$ 3,901,500</b>
<b>F. TOTAL LAND COST</b>	<b>\$ 4,590,000</b>
<b>G. TOTAL DEVELOPMENT COST (C+D+E+F)</b>	<b>\$ 30,279,648</b>

## Solaris

### Sources & Uses

	Oct. 2020
Project Cost	\$ 30,279,648
Equity	\$ 9,491,000
1st Mortgage	\$ 5,400,000
2nd Mortgage, FHFC CDBG	\$ 7,920,000
3rd Mortgage, Broward	\$ 3,450,000
4th Mortgage, Hallandale Beach	\$ 1,000,000
Deferred Dvpr. Fee	\$ 3,018,648
Total Sources	\$ 30,279,648