



## **BOARD PACKAGE**

**Meeting**

**JUNE 20, 2018**

## REGULAR MEETING

A regular meeting of the Housing Finance Authority of Broward County (the “HFA”), Florida, will be held on Wednesday, June 20, 2018, at 5:30 p.m., in the 2<sup>nd</sup> Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida.

### CALLING OF THE ROLL

### CONSENT AGENDA ITEMS (1 through 4)

1. Approval of May 16, 2018, Regular Meeting Minutes
2. Executive Director’s (May) Operational Report
3. Request for Letters of Interest (RLI) – HFA Accounting Services for Single-Family and Multi-Family Mortgage Revenue Bonds

MOTION TO APPROVE Request for Letters of Interest (RLI) No. 20190630-AS3 to provide accounting services for the HFA; monthly and annual financial statements for its Single Family and Multi-Family Mortgage Revenue Bonds and operations accounting.

4. Mortgage Credit Certificate Program

MOTION TO APPROVE a Resolution of the Housing Finance Authority of Broward County, Florida (“Housing Finance Authority”) authorizing a Mortgage Credit Certificate Program (“MCC Program”); authorizing the exchange of single family private activity bond allocation in an amount not to exceed \$140,000,000 for Mortgage Credit Certificate authority in an amount not to exceed \$35,000,000; approving the form and authorizing the execution and delivery of (i) the Program Administration Guidelines, and (ii) Participation Agreements between the Housing Finance Authority and various lending institutions desiring to participate in the MCC Program; authorizing



certain officials of the Housing Finance Authority to take all actions necessary in connection with the implementation of the MCC Program; providing certain other findings and details with respect thereto; and providing an effective date.

MOTION TO APPROVE the Consent Agenda Items 1 through 4.

## **PRESENTATION**

5. Mr. Kevin E. Adderley, Senior Manager of S. Davis & Associates, P.A., will present the 2017 Single-family and Multifamily Housing Revenue Bonds Audited Financial Statements (Results Financial Overview).

## **REGULAR AGENDA**

6. Financial Reports Monthly Overview – Ms. Linda Dufresne

MOTION TO APPROVE the Housing Finance Authority monthly financial report for the month of May 31, 2018.

7. Emerald Palms Apartments

MOTION TO APPROVE Resolution of the Housing Finance Authority of Broward County, Florida (the “Housing Finance Authority”) authorizing the issuance of its not to exceed \$38,000,000 Multifamily Mortgage Revenue Note, 2018 Series a (Emerald Palms Apartments) (the “Note”) for the purpose of financing the acquisition, rehabilitation and equipping of Emerald Palms Apartments located in Broward County, Florida (the “Project”); establishing parameters for the award of the sale thereof and establishing criteria for determining the terms thereof, including interest rates, interest payment dates, maturity schedule and other terms of such note; approving the forms of and authorizing the execution and delivery of (i) a Funding Loan Agreement by and among the Housing Finance Authority, Jones Lang Lasalle Multifamily, LLC, as initial funding lender (the “Funding Lender”), and the Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the “Fiscal Agent”); (ii) a Project Loan Agreement by and among the Housing Finance Authority, the Fiscal Agent and Emerald Palms Venture LP (the “Borrower”); (iii) a Land use Restriction Agreement by and among the Housing Finance Authority, the Fiscal Agent and the Borrower; (iv) an assignment of security instrument by the Housing Finance Authority to the Fiscal Agent; (v) an assignment of the Project Note by the Housing Finance Authority to the Fiscal Agent; (vi) a Placement Agent Agreement by and between the Housing Finance Authority and RBC Capital Markets, LLC and Raymond James & Associates, Inc., as

Placement Agents; and (vii) a Fiscal Agent Fee Agreement by and between the Housing Finance Authority and the Fiscal Agent; approving and authorizing the execution and delivery of certain additional agreements necessary or desirable in connection with the issuance of the Note; waiving the fee for services related to the Housing Finance Authority's annual audit of the Project; authorizing the proper Officers of the Housing Finance Authority to do all things necessary or advisable in connection with the issuance of the note; and providing an effective date for this Resolution.

**UPDATE ITEM**

8. Single-Family Bonds, Series 2007ABCD&EF & 2006ABC - Optional Redemptions
9. **MATTERS OF HFA MEMBERS**
10. **MATTERS FROM THE FLOOR**
11. **NEXT BOARD MEETING**  
August 15, 2018
12. **ADJOURNMENT**

**MINUTES**  
**BOARD MEETING**  
**Wednesday, May 16, 2018**

A regular Board Meeting of the Housing Finance Authority (“HFA”) of Broward County was held on Wednesday, May 16, 2018, at 5:30 p.m., in the 2<sup>nd</sup> Floor Conference Room, located at 110 Northeast 3<sup>rd</sup> Street, Fort Lauderdale, Florida.

The Chair, Colleen LaPlant, called the meeting to order at 5:30 p.m.

**CALLING OF THE ROLL**

A Roll Call was taken by Sonia Isme.

**Board Members Present**

Colleen LaPlant, Chair – Milette Thurston, Vice Chair – Donna Jarrett-Mays, Secretary – John G. Primeau, Member – Jose Lopez, Member– Ruth T. Cyrus, Member

**Board Members Absent**

Daniel D. Reynolds, Asst. Secretary, Kirk L. Frohme, Member

**Staff**

Ralph Stone, Executive Director  
Norman Howard, Manager  
Sonia Isme, Secretary  
Annika Ashton, Senior Asst. County Attorney

**Also Present**

Deborah Zomermaand, Financial Advisory Svcs  
Linda Dufresne, Dufresne CPA Services, P.A.

**CONSENT AGENDA ITEMS 1 through 3**

1. Approval of April 18, 2018, Regular Meeting Minutes
2. Executive Director’s (April) Operational Report
3. Single Family Bonds – 2018 Mortgage Credit Certificate (MCC) Program

**MOTION TO AUTHORIZE** Bond Counsel to prepare all program documents and Resolutions which will provide for the exchange of \$140,000,000 in single family bond allocation for \$35,000,000 of Mortgage Credit Certificate authority; designation of a Program Administrator; authorizing the program expenditures in an amount not to exceed \$35,000.



MOTION TO APPROVE the Consent Agenda for May 16, 2018.

MOTION was made by Jose Lopez, seconded by Ruth T. Cyrus, to approve Consent Agenda Items 1 through 3. The motion carried unanimously.

4. Financial Reports Monthly Overview – Ms. Linda Dufresne

Ms. Linda Dufresne provided a brief overview of the financial reports. She indicated a \$75K Good Faith deposit was included in the report from an Emeralds Palms transaction. The transaction appears in the balance sheet and is not HFA income. In addition, there was a large decrease in the due to BOCC line item. Therefore, when a payment is made, it is regrouped to ensure payables and expenses are accurate.

MOTION was made by John G. Primeau, seconded by Jose Lopez, to approve the Housing Finance Authority monthly financial reports for April 30, 2018. The motion carried unanimously.

5. Broward County Commission Affordable Housing Workshop – Ralph Stone

Mr. Stone presented a PowerPoint presentation on Affordable Housing and updated the Board on the seven (7) criteria items endorsed by the Affordable Housing Board. He mentioned the presentation was brought before the Broward Workshop full retreat, and affordable housing has since been one of their top priorities. Mr. Stone covered sections on statistics of statewide housing, income and labor disadvantages, naming Broward County as the least cost burden County. Mr. Stone indicated other statistics argue that other locations are more in need of affordable housing assistance.

Mr. Stone pointed out factual reports identifying Broward County as the worse in the country, and it's because of gaps between median wages and median rent. Although, other affordable housing crisis states may have high cost housing, they are also high in wages.

Mr. Stone described scenarios that has proven cost burdens to many citizens, and not only has affordable housing become a major problem, it has also impacted the County's resources. He pointed out images of past and new developments that does not contain affordable housing units. One of the developments will contain plans of micro-units, the size of a two (2) car garage.

**The presentation continued as Mr. Stone pointed out additional statistic reports from prior years and current year setbacks, and described scenarios of cost burdens to families impacted by high income rentals, and housing.**

Mr. Stone mentioned the Affordable Housing Board discussed on how to also retain funds while contributing to the Sadowski Trust Fund. Therefore, the board allocated \$5 million for the next three years in general funds. When the three years have gone by, the first-two redevelopment areas with tax increment financing to expire, the board directed the County Administrator to take half of the return funds to invest in economic development and housing.

**The presentation continued as Mr. Stone explained several incentives established from the seven (7) endorsed criteria's and plans of implementation.**

Mr. Stone informed the Board of Kirk L. Frohme's resignation and plan of moving within the next two weeks to Naples, Florida; and staff will prepare an award for his tenure.

6. **MATTERS OF HFA MEMBERS**

None.

7. **MATTERS FROM THE FLOOR**

None.

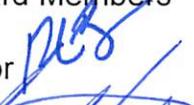
8. **NEXT BOARD MEETING**

June 20, 2018

9. **ADJOURNMENT**

The Chair, Colleen LaPlant hearing no further comments, questions or discussions adjourned the meeting at 6:00 p.m.

## MEMORANDUM

**Date:** June 8, 2018  
**To:** Housing Finance Authority Board Members  
**Through:** Ralph Stone, Executive Director   
**From:** Norman Howard, Manager   
**Subject:** May Operational Report

### ADMINISTRATIVE

On June 12, 2018, the Board of County Commissioners reappointed Daniel D. Reynolds to the Housing Finance Authority Board.

### INVESTMENT COMMITTEE

An Investment Committee (IC) meeting was held on May 16, 2018 Wednesday, at 4:00 p.m., at 110 N.E. 3rd Street, 3<sup>rd</sup> Floor, Suite 300, and Fort Lauderdale, Florida. During the meeting, a motion was approved to change the IC meeting dates to quarterly meetings effective immediately as follows:

#### Quarterly IC Meeting Dates for Calendar Year 2018/2019

- July 18, 2018
- October 17, 2018
- January 16, 2019
- April 17, 2019
- July 17, 2019
- October 16, 2019

**SINGLE-FAMILY**

Information listed below is the foreclosure/bankruptcy report received from CitiMortgage for the months of March 2018 and April 2018. The report for the month of May 2018 has not been received from CitiMortgage to date.

*Bankruptcy – March 2018*

Loan Count	Total	1 <sup>st</sup> Lien	2 <sup>nd</sup> Lien	1 <sup>st</sup> Mort./Total	2 <sup>nd</sup> Mort./Total
0	\$0	0	0	\$0	\$0

*Foreclosure (180+ days) – March 2018*

Loan Count	Total	1 <sup>st</sup> Lien	2 <sup>nd</sup> Lien	1 <sup>st</sup> Mort./Total	2 <sup>nd</sup> Mort./Total
12	\$1,444,547	8	4	\$1,300,495	\$144,052

*Bankruptcy – April 2018*

Loan Count	Total	1 <sup>st</sup> Lien	2 <sup>nd</sup> Lien	1 <sup>st</sup> Mort./Total	2 <sup>nd</sup> Mort./Total
0	\$0	0	0	\$0	\$0

*Foreclosure (180+ days) – April 2018*

Loan Count	Total	1 <sup>st</sup> Lien	2 <sup>nd</sup> Lien	1 <sup>st</sup> Mort./Total	2 <sup>nd</sup> Mort./Total
11	\$1,286,319	7	4	\$1,142,267	\$144,052

*Foreclosure (180+ days) – comparison between April 2017 to April 2018*

April-17	5	\$585,224	\$36,504*	\$621,728
April-18	11	\$1,142,267	\$144,052**	\$1,286,319

Note: \* FY17 contain 5 foreclosures, 1 is a second mortgage.  
 \*\* FY 18 contains 11 foreclosures, 4 are second mortgages.

**2017 Mortgage Credit Certificate Program (MCC)**

At this time, the HFA has fifteen (15) lenders participating in the January 2017 MCC Program. The program totals to date are as follows:

<b><i>MCC's by Lender</i></b>	<b><i>Commitments</i></b>	<b><i>Issued</i></b>	<b><i>Cancelled/Expired</i></b>
Academy Mortgage Corporation	8	7	0
America's Mortgage Professionals, LLC	0	0	0
Bank of America, N.A.	10	4	0
Banking Mortgage Services Corp	0	0	0
Centennial Bank	0	0	0
CMG Financial, Inc.	0	0	0
Cornerstone Home Lending	2	1	0
Gold Star Mtg. Financial Group	7	6	0
GSF Mortgage Corporation	0	0	0
Gulf Atlantic Funding Group, Inc.	0	0	0
HG Mortgage, LLC	29	20	1
Hamilton Funding Group	41	36	2
Paramount Residential Mortgage Group (PRMG)	19	16	0
Plaza Home Mortgage, Inc	2	0	0
The Mortgage Firm	6	3	0
<b>Totals</b>	<b>124</b>	<b>93</b>	<b>3</b>
<b><i>Income to date (FY2018):</i></b> <b>\$13,700</b>			

## **MULTIFAMILY HOUSING BOND TRANSACTIONS**

2018 Multifamily housing transactions update for the month of June (Attachment 1).

## **MULTI-FAMILY COMPLIANCE MONITORING**

Multifamily compliance monitoring; reporting period March 21, 2018, to April 20, 2018.

### **Monthly Compliance**

Review of this month's bond report shows all properties are in compliance with their respective Land Use Restriction Agreements (LURA's).

Training for staff at Landings at Coconut Creek Apartments took place on March 29, 2018. Since this is the first bond report the property was not expected to be in compliance with the required set-a-side units.

Occupancy Report

The HFA Rental Occupancy Report for period March 21, 2018, to April 20, 2018, is included (Attachment 2).

Annual Management Review and Inspections

The following five (5) reviews and inspections were completed during the reporting period of March 21, 2018 to April 20, 2018

Colonial Park	Los Prados	Sailboat Bend
Cypress grove	Palm of Deerfield	

All the above listed properties were in compliance with their respective LURAs.

# **ATTACHMENT 1**

**2018 MULTIFAMILY HOUSING BOND TRANSACTIONS – JUNE UPDATE**

<b><u>HFA RANKING</u></b>	<b>1</b>	<b>2</b>	<b>3</b>
<b><u>PROJECT NAME</u></b>	<b><u><i>Emerald Palms Apartments</i></u></b>		
<b><u>PROJECT LOCATION</u></b>	5331 Southwest 43 <sup>rd</sup> Terrace Dania Beach, FL 33314		
<b><u>DEVELOPER</u></b>	MRK Partners Inc.		
<b><u>PROFESSIONAL TEAM</u></b>	<ul style="list-style-type: none"> <li>• <i>Lead Underwriter</i></li> <li>• <i>Bond Counsel</i></li> <li>• <i>Credit Underwriter (“CU”)</i></li> </ul>	<ul style="list-style-type: none"> <li>• RBC</li> <li>• Nabors, Giblin &amp; Nickerson</li> <li>• Seltzer</li> </ul>	
<b><u>BOND AMOUNTS</u></b>	<ul style="list-style-type: none"> <li>• <i>Bond Amount/Original Req.</i></li> <li>• <i>Revised Request</i></li> <li>• <i>CU Recommendation</i></li> </ul>	<ul style="list-style-type: none"> <li>• \$38,000,000</li> <li>• N/A</li> <li>• TBD</li> </ul>	
<b><u>TEFRA &amp; Inducement</u></b>	<ul style="list-style-type: none"> <li>• <i>TEFRA/Inducement Amount</i></li> <li>• <i>Date of HFA Inducement</i></li> <li>• <i>Date of TEFRA Hearing</i></li> <li>• <i>Date of HFA Approval</i></li> <li>• <i>Date of BOCC App. TEFRA</i></li> <li>• <i>Date of BOCC Approval Cust. Agreement (If Applicable)</i></li> </ul>	<ul style="list-style-type: none"> <li>• \$38,000,000 (Inducement)</li> <li>• April 19, 2017</li> <li>• April 5, 2018</li> <li>• June 20, 2018 (Projected)</li> <li>• August 14, 2018 (Projected)</li> <li>• N/A</li> </ul>	
<b><u>ALLOCATION</u></b>	<ul style="list-style-type: none"> <li>• <i>Allocation Approved by HFA</i></li> <li>•</li> </ul>	\$38,000,000	
<b><u>TRANSACTION STATUS</u></b>	<i>See Note #1</i>		

**Note #1:**

Application to fund Emerald Palms Apartments in the 2017 allocation cycle was submitted to the HFA on March 20, 2017. The financing is expected to fund the acquisition and rehabilitation of 318 units of affordable housing in Dania Beach. The HFA approved and induced the project at its board meeting on April 19, 2017, such approval effectively ranked the development to receive tax-exempt bond allocation and/or carryforward in 2017. On February 21, 2018 the HFA authorized a reduction of the Good Faith Deposit from \$190,000 to \$75,000. The transaction is expected to close during the summer of 2018.

## **ATTACHMENT 2**

Housing Finance Authority of Broward County  
Rental Occupancy Report

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Property	Total Number of Units	From Mgmt Number of Units Occupied	% of Units Occupied	Previous month % of Lower Units Occupied March	From Mgmt Low Income Units Occupied	% Occupied by Low Income	LURA Low Income Requirement	Certificate of Compliance rec'd April	Vacant Units
Banyan Bay	416	369	88.7	46%	170	46.1	20%	5/10/2018	47
Chaves Lakes	238	237	99.6	91%	214	90.3	40%	4/30/2018	1
Colonial Park	160	160	100.0	100%	160	100.0	99%	4/23/2018	0
Cypress Grove/Sandalgrove	814	701	86.1	100%	701	100.0	40%	5/1/2018	113
Golden Villas	120	120	100.0	99%	119	99.2	40%	5/4/2018	0
Golf View Gardens	160	160	100.0	100%	160	100.0	100%	4/24/2018	0
Harbour Cove	212	209	98.6	85%	176	84.2	40%	5/3/2018	3
Heron Pointe	200	199	99.5	98%	194	97.5	40%	4/30/2018	1
Laguna Pointe	188	187	99.5	92%	171	91.4	40%	5/1/2018	1
Lake Vista (fka Ashlar/Pier Club)	480	451	94.0	20%	94	20.8	20%	4/30/2018	29
Landings at Coconut Creek	268	224	83.6		0	0.0	20%	5/10/2018	44
Lauderhill Point (fka Driftwood Terr)	176	175	99.4	100%	175	100.0	100%	5/22/2018	1
Los Prados	444	413	93.0	31%	128	31.0	20%	4/27/2018	31
Mar Lago Village	216	205	94.9	42%	87	42.4	40%	5/10/2018	11
Meridian	160	160	100.0	100%	160	100.0	99%	4/26/2018	0
Palms of Deerfield	56	54	96.4	100%	54	100.0	100%	5/10/2018	2
Pembroke Park	244	244	100.0	84%	198	81.1	40%	4/30/2018	0
Pinnacle Village	148	147	99.3	99%	146	99.3	40%	5/4/2018	1
Prospect Park	125	123	98.4	100%	123	100.0	40%	5/3/2018	2
Sailboat Bend	37	37	100.0	100%	37	100.0	100%	5/8/2018	0
San Tropez (fka Pembroke Village)	480	468	97.5	21%	96	20.5	20%	5/9/2018	12
Sanctuary Cove	292	291	99.7	99%	289	99.3	40%	4/30/2018	1
St Croix	246	243	98.8	100%	236	97.1	40%	5/1/2018	3
Summerlake	108	108	100.0	100%	108	100.0	40%	4/30/2018	0
Woodsdale Oaks	172	172	100.0	100%	172	100.0	70%	4/26/2018	0
<b>Totals</b>	<b>6,160</b>	<b>5,857</b>			<b>4,168</b>				<b>303</b>
* Figures in red show properties that are less than 90% occupied									
Total % rate of occupancy for all properties		95%							
This is Landings at Coconut Creek's first bond report. Training was done by staff on March 29, 2018									

## **MULTI-FAMILY BOND RENTAL OCCUPANCY REPORT KEY**

The Rental Occupancy Report was prepared by staff from Certifications of Continuing Compliance reports received from Multi Family property management.

Column B represents the total number of units the property has.

Column C represents the number of units occupied during the reporting period.

Column D represents the percentage of units occupied versus the total number.

Column E represents the percentage of total units that were lower income occupied during the month of April, 2017.

Column F represents the number of lower income units occupied.

Column G represents the percentage of lower income units occupied versus the total number of units available.

Column H represents the lower income requirement per the Land Use Restriction Agreement.

Column I represents the date the Certificate of Compliance was received by Housing Finance Authority. Dates may vary from the 22<sup>nd</sup> of the previous month to the 14<sup>th</sup> of the following month since bond reports are submitted according to the time frame set in the LURA.

Column J represents the number of units vacant for each property.

Columns that are blank represent no report was received from property management.

**Housing Finance Authority of Broward County  
June 20, 2018 – Board Meeting**

**Request for Letters of Interest (RLI) for HFA Accounting Services - Action Item**

Effective June 30, 2019, the agreement with the Dufresne CPA Services, PA terminates. Enclosed is a Request for Letters of Interest (RLI) No. 20190630-AS3 to provide monthly accounting services and annual financial statements for its Single Family and Multi-Family Mortgage Revenue Bonds and operations accounting. Staff is requesting the HFA approval of the RLI and the proposed timeline.

1. **Approve the Request for Letters of Interest and the proposed timeline**

*Wednesday, June 20, 2018*

2. **Advertisement**

*Wednesday, June 27, 2018 – In the Sun- Sentinel; Websites includes Broward County, Purchasing Division, and HFA; and staff maintain a list of firms in-house*

3. **Deadline for Receipt of Interest/Application**

*Friday, July 27, 2018*

4. **Staff Opening Applications/ Prepares Evaluation Criteria (Matrix)**

*Monday, July 30, 2018*

5. **Short List Qualified Firms (Sunshine Required) \*\*\*\***

*Wednesday, August 15, 2018 (Regular HFA Meeting)*

6. **Presentation (Respondents) \*\*\*\***

*Wednesday, September 19, 2018 (Regular HFA Board Meeting)*

7. **HFA Approval of Resolution and Agreement**

*Wednesday, October 17, 2018*

8. **County Commissions approval of Agreement**

*Tuesday, December 2, 2018*

*\*\*\*\*If there are five (5) or less proposals, the short list meeting and presentations meeting will be combined into one (1) meeting.*

**Recommendation**

Approve the Request for Letters of Interest (RLI) No. 20190630-AS3 to provide accounting services to the HFA; monthly and annual financial statements for its Single Family and Multi-Family Mortgage Revenue Bonds and operations accounting; and the proposed timeline.

**Attachments**

1. Request for Letter of Interest (RLI)
2. RLI - Public Notice

**Housing Finance Authority of Broward County  
June 20, 2018 – Board Meeting**

**Single Family Action Item**

*Request Board approval: 1) to exchange up to \$140,000,000 of single family bond allocation for mortgage credit certificate authority; 2) of the form and execution of the Program Administration Guidelines; 3) of the form and execution of Participation Agreements; and 4) authorize certain officials of the HFA to take all action necessary in connection with the implementation of the Mortgage Credit Certificate “MCC” program (the “Program”), providing certain other findings and providing an effective date.*

**Background**

1. The Board at its March 21, 2018 meeting granted authorization to publish an MCC Public Notice. The MCC Public Notice is expected to be published within the Sun-Sentinel on or before June 30, 2018.
2. The Board at its May 16, 2018 meeting authorized:
  - a. Engagement of counsel to prepare all Program documents and Resolutions providing for:
    - i. the exchange of single family bond allocation for MCC authority,
    - ii. designation of a Program administrator, and
    - iii. all other Program documents necessary to implement the Program.
  - b. Program expenditures in an amount not to exceed \$35,000.
3. Specific Program criteria were presented to the Board at its May 16, 2018 meeting which included:
  - a. A Program utilizing up to \$140,000,000 in Single Family Bond Allocation which would result in up to \$35,000,000 in MCC authority.
  - b. Program Administration to be handled by the Housing Finance and Community Redevelopment Division of Broward County.
  - c. Initial program fees will include a \$0.00 application fee and \$175.00 commitment fee (due upon the issuance of each MCC). The application and commitment fees are unchanged from the Authority’s prior Program.
  - d. Housing Finance and Community Redevelopment Division of Broward County should have flexibility to allocate a mortgage credit rate between 10% and 50%.
  - e. For one year after the date on which the Authority begins to accept MCC applications, 20% of the aggregate amount of MCC’s under the Program shall be set aside and allocated for loans pertaining to residences located in Targeted Areas.
  - f. Mortgage loans financed pursuant to the Program must be made for the purpose of financing a new mortgage and may not replace a prior mortgage loan on the home (whether or not previously repaid) unless consistent with items v. and/or vi. below.
    - i. Loans must be FHA, VA, USDA/RHS, Fannie Mae Conventional, Freddie Mac Conventional or other HFA-authorized conventional loan programs.

- ii. Have a 15- or 30-year fixed rate. Adjustable rate and interest-only mortgage loans will not be allowed.
- iii. MCCs cannot be used with bond financing via a single-family bond program.
- iv. All loans must be originated in accordance with Authority guidelines and must be at prevailing market rates.
- v. Exceptions to the new mortgage requirements are allowable for bridge loans and rehabilitation loans that meet the requirements of the Internal Revenue Code.
- vi. The Program allows for the assumption of an existing MCC upon sale of the home to a qualifying household.
- vii. Subject to Bond Counsel and Office of the County Attorney approval, the Board may modify Program criteria i.- vi. as deemed necessary.

### **Present Situation**

1. Program documents are included as Attachments 2 and 3.

### **Recommendation**

Request Board approval:

- 1) to exchange up to \$140,000,000 of single family bond allocation for MCC authority,
- 2) of the form and execution of the Program Administration Guidelines,
- 3) of the form and execution of Participation Agreements; and
- 4) authorize certain officials of the HFA to take all action necessary in connection with the implementation of the Program, providing certain other findings and providing an effective date.

### **Attachments**

- 1) HFA Resolution
- 2) Program Administration Guidelines including:
  - i. Requirements for Issuing an MCC,
  - ii. Program Manual,
  - iii. Form of Mortgage Credit Certificate,
  - iv. Form of Mortgage Credit Certificate Commitment Letter
- 3) Participation Agreement,

# **ATTACHMENT 1**

RESOLUTION NO. 2018-016

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 P.M. on June 20, 2018, at the offices of the Housing Finance Authority of Broward County, Florida, 110 Northeast Third Street, Suite 201, in the City of Fort Lauderdale, Florida.

Present: \_\_\_\_\_

Absent: \_\_\_\_\_

\* \* \* \* \*

Thereupon, \_\_\_\_\_ introduced the following resolution which was read:

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA ("HOUSING FINANCE AUTHORITY") AUTHORIZING A MORTGAGE CREDIT CERTIFICATE PROGRAM ("MCC PROGRAM"); AUTHORIZING THE EXCHANGE OF SINGLE FAMILY PRIVATE ACTIVITY BOND ALLOCATION IN AN AMOUNT NOT TO EXCEED \$140,000,000 FOR MORTGAGE CREDIT CERTIFICATE AUTHORITY IN AN AMOUNT NOT TO EXCEED \$35,000,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF (I) THE PROGRAM ADMINISTRATION GUIDELINES, AND (II) PARTICIPATION AGREEMENTS BETWEEN THE HOUSING FINANCE AUTHORITY AND VARIOUS LENDING INSTITUTIONS DESIRING TO PARTICIPATE IN THE MCC PROGRAM; AUTHORIZING CERTAIN OFFICIALS OF THE HOUSING FINANCE AUTHORITY TO TAKE ALL ACTIONS NECESSARY IN CONNECTION WITH THE IMPLEMENTATION OF THE MCC PROGRAM; PROVIDING CERTAIN OTHER FINDINGS AND DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended (the "Act"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic to be known as a housing finance authority of the

county for the purpose of alleviating a shortage of housing and capital for investment in housing in the area of operation of such housing finance authority; and

**WHEREAS**, pursuant to the Act, the Board of County Commissioners of Broward County, Florida (the "Board of County Commissioners") enacted Ordinance No. 79-41, as supplemented and amended (the "Ordinance") declaring a need for a housing authority to function in Broward County, Florida (the "County") and creating the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority"); and

**WHEREAS**, the Housing Finance Authority is authorized by the Act to borrow money through the issuance of bonds to assist in the financing of single family housing, or, in lieu of issuing qualified mortgage bonds, to issue mortgage credit certificates to qualifying individuals; and

**WHEREAS**, the Housing Finance Authority currently has \$140,000,000 of private activity bond allocation available for the issuance of single family mortgage revenue bonds; and

**WHEREAS**, pursuant to Section 25 of the Internal Revenue Code of 1986, as amended (the "Code"), the Housing Finance Authority may make an election to issue mortgage credit certificates in lieu of the issuance of single family mortgage revenue bonds; and

**WHEREAS**, in furtherance of the purposes of the Act, the Housing Finance Authority desires to implement a mortgage credit certificate program (the "MCC Program") to assist persons of low and moderate income in Broward County, Florida to afford the cost of acquiring and owning decent, safe and sanitary housing within the County; and

**WHEREAS**, in connection with the MCC Program, the Housing Finance Authority desires to elect, pursuant to Section 25 of the Code and Section 159.8075, Florida Statutes, to exchange single family private activity bond allocation in an amount not to exceed \$140,000,000 for the authority to issue its Mortgage Credit Certificates, Series 2018 (the "MCCs") with a maximum aggregate total amount of proceeds of \$35,000,000; and

**WHEREAS**, to implement and administer the MCC Program, the Housing Finance Authority desires to approve the form and authorize the execution and delivery of its Program Administration Guidelines (the "Program Administration Guidelines"), substantially in the form attached hereto as Exhibit "A"; and

**WHEREAS**, the Housing Finance Authority desires to approve the form and authorize the execution and delivery of Participation Agreements (the "Participation Agreements") each substantially in the form attached hereto as Exhibit "B," to be entered into between the Housing Finance Authority and various lending institutions or other parties facilitating the origination of mortgages and desiring to participate in the MCC Program;

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Finance Authority of Broward County, Florida, as follows:

**SECTION 1. AUTHORITY.** This Resolution is adopted pursuant to the provisions of the Act, the Ordinance and other applicable provisions of law.

**SECTION 2. FINDINGS.** The Housing Finance Authority has found and determined and does hereby declare that:

A. Based upon existing and anticipated market and economic conditions and the knowledge of the members of the Housing Finance Authority of the housing industry and conditions in the County, it is in the best interests of the Housing Finance Authority and the residents of the County and serves a valid public purpose for the Housing Finance Authority to implement the MCC Program and issue the MCCs pursuant thereto.

B. The implementation of the MCC Program and the issuance of the MCCs pursuant thereto are necessary and in the best interests of the Housing Finance Authority and the residents of the County and will assist in alleviating a shortage of housing at prices which persons or families of moderate, middle and low income can afford and the shortage of capital available for investment therein.

C. As previously authorized by the Housing Finance Authority on May 16, 2018, notice of the intent of the Housing Finance Authority to establish a mortgage credit certificate program and create a lender list was published in the Sun Sentinel, a newspaper of general circulation in the County, on June \_\_\_, 2018 pursuant to Section 25(e)(5) of the Code and Treasury Regulation 1-25T(j)(4).

D. On [May 16], 2018, the Housing Finance Authority approved expenditures in an amount not to exceed \$35,000 to pay the MCC Program expenses.

**SECTION 3. AUTHORIZATION AND ESTABLISHMENT OF THE MCC PROGRAM; AUTHORIZATION TO FILE ELECTION NOT TO ISSUE QUALIFIED MORTGAGE REVENUE BONDS.**

A. The Housing Finance Authority hereby authorizes and establishes the MCC Program, providing for the issuance of the MCCs with an aggregate amount of proceeds of not to exceed \$35,000,000. The MCC Program shall have such terms as are specified in the Program Administration Guidelines attached hereto as Exhibit "A". The Mortgage Credit Certificate Rate for the MCC Program shall be determined by the Housing Finance Authority (in its capacity as Administrator of the MCC Program) on a case by case basis provided that such credit shall not be less than ten percent (10%) and not greater than fifty percent (50%).

B. In order to implement the MCC Program, the Housing Finance Authority hereby determines to elect not to issue qualified mortgage revenue bonds in an amount not to exceed \$140,000,000 for which it has previously received private activity bond volume cap allocation in an amount of at least \$140,000,000 and to thereby convert not in excess of \$140,000,000 of single family private activity bond allocation to mortgage credit certificate authorization. The Chair or Vice Chair of the Housing Finance Authority (or their respective designees) is hereby authorized and directed to make all filings, declarations and notices as may be necessary or appropriate to make or implement such election on behalf of the Housing Finance Authority.

**SECTION 4. DESIGNATION OF ADMINISTRATOR; APPROVAL OF PROGRAM ADMINISTRATION GUIDELINES AND FORM OF MORTGAGE CREDIT CERTIFICATE.**

A. The Housing Finance Authority hereby designates and appoints the Executive Director of the Housing Finance Authority and his staff to act as the Administrator for the MCC Program pursuant to the MCC Program Administration Guidelines. The Executive

Director may, upon approval of the Housing Finance Authority, designate one or more individuals or firms to assist in administering the MCC Program as deemed necessary. Any contract to be entered into with any such individual or firm shall be approved by both the Housing Finance Authority and the Board of County Commissioners.

B. The form of the Program Administration Guidelines attached hereto as Exhibit "A", and the form of the MCCs attached thereto as Exhibit "C", are hereby authorized and approved. The Chair or Vice Chair and the Secretary or any Assistant Secretary of the Housing Finance Authority are hereby authorized to approve the final form of the Program Administration Guidelines on behalf of the Housing Finance Authority with such changes, modifications, insertions and deletions to and from the form attached hereto as shall be approved by the officers of the Housing Finance Authority executing the approval page of the Program Administration Guidelines, with the advice of Nabors, Giblin & Nickerson, P.A. ("Bond Counsel") and the County Attorney's Office of Broward County (the "County Attorney"), and as shall not be inconsistent with the express terms of this Resolution, such execution to be conclusive evidence of such approval.

**SECTION 5. AUTHORIZATION AND APPROVAL OF PARTICIPATION AGREEMENTS.** The form of the Participation Agreements attached hereto as Exhibit "B" is hereby authorized and approved. The Chair, Vice Chair or Executive Director (or the Executive Director's designee) and Secretary or Assistant Secretary of the Housing Finance Authority are hereby authorized to execute and deliver Participation Agreements between the Housing Finance Authority and the various lending institutions or other parties facilitating the

origination of mortgages desiring to participate in the MCC Program, with such changes, modifications, insertions and deletions to and from the form attached hereto as shall be approved by the officer of the Housing Finance Authority executing the Participation Agreements, with the advice of Bond Counsel and the County Attorney, and as shall not be inconsistent with the express terms of this Resolution, such execution and delivery to be conclusive evidence of such approval.

**SECTION 6. AUTHORIZATIONS.** The Chair, Vice Chair, Secretary, Assistant Secretary, County Attorney, Executive Director (or the Executive Director's designee) and such other officers, agents and employees of the Housing Finance Authority as may be designated by the Chair are each designated as agents of the Housing Finance Authority in connection with the implementation of the MCC Program as authorized and contemplated hereby and are authorized and empowered, collectively or individually, to take all actions and steps to execute and deliver the Program Administration Guidelines, the Participation Agreements and all other instruments, certificates, notices, elections, documents and contracts and to take all actions on behalf of the Housing Finance Authority, in each case as they may deem necessary or desirable in connection with the establishment and implementation of the MCC Program.

**SECTION 7. RESOLUTION EFFECTIVE.** This resolution shall take effect immediately upon its adoption.

Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the  
foregoing Resolution was adopted by the following vote:

Ayes: \_\_\_\_\_

Noes: \_\_\_\_\_

STATE OF FLORIDA )

) SS:

COUNTY OF BROWARD )

I, Donna Jarrett-Mays, Secretary of the Housing Finance Authority of Broward County, Florida, do hereby certify that the foregoing is an accurate copy of the resolution of the Housing Finance Authority adopted at a meeting held on June 20, 2018, as set forth in the official minutes of the Housing Finance Authority, relating to the Mortgage Credit Certificate Program, and the execution of documents related thereto.

**I DO HEREBY FURTHER CERTIFY** that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

**WITNESS** my hand and the corporate seal of said Housing Finance Authority, this 20th day of June, 2018.

**HOUSING FINANCE AUTHORITY OF  
BROWARD COUNTY, FLORIDA**

By: \_\_\_\_\_  
Donna Jarrett-Mays, Secretary

[SEAL]

**Housing Finance Authority of Broward County  
June 20, 2018 – Board Meeting**

**S. Davis & Associates, P.A. – Presentation**

S. Davis & Associates, P.A., will present the 2017 Single-Family and Multifamily Mortgage Revenue Bonds Audit Results and Financial Overview for the Housing Finance Authority.

**Enclosed**

- *Presentation:* Audit Results and Financial Overview
- Bond Audit Audited Financial Statements for Year Ended September 30, 2017

***Due to the large size of the document, the Bond Audit Audited Financial Statements for Year Ended September 30, 2017, (one copy) will be available at the Board meeting.***

## Housing Finance Authority of Broward County

### *Dufresne CPA Services, PA – Overview of the May 2018 Financial Reports*

The following are items considered to be of note regarding the financial reports for the month of May 2018:

1. Balance sheets (Attachments 1 and 2) changes relate primarily to individual cash and investment account activity, including residual funds released by BNY Mellon, funds released from the indemnification fund for return of good faith deposits in excess of related expenses and the transfer of investments from the US Bank Custody Account to the BNY Mellon Custody Account.
  - a. During fiscal 2017, the Authority's lot valued at \$31,400 entitled "HFA Land Inventory For Homes" was granted to the homeowner who purchased the Franklin Park home which was built on the lot. The result of recording the transaction to reflect removal of the lot from the Authority's internal records appears as a difference in Attachment 2 on page 3.
  - b. Emerald Palms good faith deposit of \$75,000 was received in April, 2018 and appears as a difference in the Indemnification Fund – BNY and Good Faith Deposits in Attachments 1 and 2, pages 2 and 3.
  - c. Cash was transferred to BNY Mellon to redeem the Series 2006 AB and 2007 ABC and E and an estimated receivable recorded for holdings that will be transferred from BNY Mellon to HFA upon completion of the transaction.
2. Profit and loss report indicates the changes that relate primarily to timing of new bond issuances, redemptions and related fees and residuals, fair market value adjustments, rent income and timing of invoices paid and payments received. Significant revenue items include residual transfers from BNY Mellon and application, TEFRA and closing fees relate to Landings at Coconut Creek closing and NW Gardens conversion (Attachments 3 and 4, pages 4 and 5)

### Cash vs Accrual Basis for P&L Budget to Actual comparison (Attachment 4)

On a monthly basis the process to prepare the financial statements includes:

- a. Budgetary column – Cumulative 1/12 of the budgeted revenues and expenses are reported
- b. Actual column – Significant known revenue and expense items are accrued
  - a. Authority fees receivable are adjusted to correct accrual basis balance
  - b. Cumulative 1/12 of budgeted Personnel and Other Expenses due to BOCC are adjusted to correct accrual basis balance
  - c. Expenses for all invoices submitted to the HFA prior to month end are paid and recorded in the financial statements.
  - d. Bank and account management fees that are reported on the monthly bank statements are recorded as expense in the applicable month.

### Index to Attachments

- Attachment 1, Page 2: Balance Sheet (Flux Report – May 2018 comparison to April 2018)
- Attachment 2, Page 3: Balance Sheet (Flux Report – May 2018 comparison to May 2017)
- Attachment 3, Page 4: P&L (Flux Report – Current Year-to-Date to Prior Year-to-Date)
- Attachment 4, Page 5: P&L (Flux Report – Budget to Actual)
- Attachment 5, Page 6: Aged Receivables Report
- Attachment 6, Pages 7-8: Wells Fargo Bank Reconciliation Report – Operating
- Attachment 7, Page 9: Professional Fees Detail
- Attachment 8, Page 10: Cumulative Net Change in Investment Value
- Attachment 9, Page 11: BNY Mellon Custody Account Statement of Assets Held 5/31/18

ATTACHMENT(S)

**Attachment 1**  
**The Housing Finance Authority of Broward County**  
**110 NE Third Street, #300**  
**Fort Lauderdale, FL 33301**  
**Balance Sheet (Flux Report)**  
**5/31/2018**

	<u>May</u>	<u>April</u>	<u>\$ Difference</u>	<u>% Difference</u>	<u>Explanation</u> <u>(See criteria below)</u>
<b>Assets</b>					
Cash-Wells Fargo	\$ 753,979	\$ 945,994	(192,015)	-25%	<b>5</b>
Cash- LOC	6,176	6,168	8	0.1%	
Indemnification Fund -BNY	405,470	405,090	380	0.1%	
Cash-BNY Custody Account	716,856	5,161,852	(4,444,996)	-620%	<b>3,4</b>
Total Cash	<u>1,882,481</u>	<u>6,519,104</u>			
Investments-BNY Mellon Custody Account	6,658,227	5,664,416	993,811	15%	<b>3</b>
Note Receivable-DPA	367,125	387,125	(20,000)	-5%	
Authority Fees Receivable	17,340	-	17,340	100%	<b>1</b>
Interest Receivable	38,416	24,738	13,678	36%	<b>2</b>
Notes Receivable-CDC	200,000	200,000	-	NA	
Notes Receivable - Mt. Olive	231,156	231,156	-	NA	
HFA Mortgage Receivables	9,385	9,418	(33)	-0.4%	
Accounts Receivable	3,756,388	-	3,756,388	100%	<b>6</b>
Due from Artspace	548,817	548,817	-	NA	
Utility Deposit	1,925	1,925	-	NA	
HFA Land	621,704	621,704	-	NA	
HFA Buildings	1,036,000	1,036,000	-	NA	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(127,474)	(127,474)	-	NA	
Accumulated Depreciation, HFA	(679,771)	(679,771)	-	NA	
Total Assets	<u>14,779,453</u>	<u>14,654,892</u>			
<b>Deferred Outflows</b>					
Deferred outflows related to pension	209,589	209,589	-		NA
Total Assets and Deferred outflows	<u>\$ 14,989,043</u>	<u>\$ 14,864,482</u>			
<b>Liabilities</b>					
Accrued Sick/Vacation, ST	\$ 43,000	\$ 43,000	-		NA
Due to BOCC - Exp reimb	122,860	245,720	(122,860)	-100%	<b>1</b>
Due to BOCC - Artspace project	428,070	428,070	-		NA
Due to BOCC - Artspace Interest	120,747	120,747	-		NA
Audit Fees Payable	900	900	-		NA
Good Faith Deposits	75,000	75,000	-		NA
Net Pension Liability	423,522	423,522	-		NA
Accrued Sick/Vacation, LT	51,000	51,000	-		NA
Total Liabilities	<u>\$ 1,265,099</u>	<u>\$ 1,387,959</u>			
<b>Deferred Inflows</b>					
Deferred inflows related to pension	\$ 34,578	\$ 34,578	-		NA
<b>Equity</b>					
Beginning of year	\$ 13,207,828	\$ 13,207,828			
Current Year Earnings	481,538	234,117			
Total Equity	<u>13,689,366</u>	<u>13,441,945</u>			
Total Liabilities, Deferred Inflows and Equity	<u>\$ 14,989,043</u>	<u>\$ 14,864,482</u>			

**Criteria to determine if explanations are required:**

**Cash account fluctuation explanations provided for >=\$100,000 variance**

**Remaining items explanations are provided for >=10% and >=\$5,000 variance**

**NA No change as compared to prior month**

- 1** Timing of receipts/payments and accruals based on budget
- 2** Change in accrued income: Investments-BNY Mellon Custody Account
- 3** BNY Custody Cash used to purchase investments
- 4** BNY Custody Cash transferred out for Broward SF 2006 AB, SF 2007 ABC, and SF 2007 E redemption costs
- 5** Transfer from Cash - WF to Cash - BNY Custody
- 6** Due from BNY Mellon – Bond Residual from Broward SF 2006 AB, SF 2007 ABC, and SF 2007 E

**Attachment 2**  
**The Housing Finance Authority of Broward County**  
**110 NE Third Street, #300**  
**Fort Lauderdale, FL 33301**

**Balance Sheet (Flux Report)**  
**5/31/2018**

	May-18	May-17	\$ Difference	% Difference	Explanation (See criteria below)
<b>Assets</b>					
Cash-Wells Fargo	\$ 753,979	\$ 452,830	\$ 301,149	67%	<b>6</b>
Cash-Wells Fargo - Franklin Park	-	2,471,402	(2,471,402)	-100%	<b>1</b>
Cash- LOC	6,176	6,101	75	1%	
Indemnification Fund -BNY	405,470	330,878	74,592	23%	<b>4</b>
Cash-BNY Custody Account	716,856	-	716,856	100%	<b>5</b>
Total Cash	<u>\$ 1,882,481</u>	<u>\$ 3,261,211</u>			
US Bank Custody Acct-Karpus	-	8,853,357	(8,853,357)	-100%	<b>5</b>
Investments-BNY Mellon Custody Account	6,658,227	-	6,658,227	100%	<b>5</b>
Note Receivable-DPA	367,125	387,125	(20,000)	-5%	
Authority Fees Receivable	17,340	141,307	(123,967)	-88%	<b>2</b>
Interest Receivable	38,416	11,345	27,071	239%	<b>2</b>
Notes Receivable-CDC	200,000	200,000	-	NA	
Notes Receivable - Mt. Olive	231,156	241,156	(10,000)	-4%	
HFA Mortgage Receivables	9,385	9,777	(392)	-4%	
Accounts Receivable	3,756,388	-	3,756,388	100%	<b>7</b>
Due from Artspace	548,817	503,729	45,088	9%	
Utility Deposit	1,925	1,925	-	NA	
HFA Land	621,704	698,164	(76,460)	-11%	<b>3</b>
HFA Land Inventory For Homes	-	31,400	(31,400)	-100%	<b>8</b>
HFA Buildings	1,036,000	1,036,000	-	NA	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(127,474)	(126,954)	(520)	0.4%	
Accumulated Depreciation, HFA	(679,771)	(617,838)	(61,933)	10%	<b>3</b>
Total Assets	<u>14,779,453</u>	<u>14,849,436</u>			
<b>Deferred Outflows</b>					
Deferred outflows related to pension	209,589	-	209,589	100%	<b>3</b>
Total Assets and Deferred outflows	<u>\$ 14,989,043</u>	<u>\$ 14,849,436</u>			
<b>Liabilities</b>					
Accrued Sick/Vacation, ST	\$ 43,000	\$ 50,000	(7,000)	-14%	<b>3</b>
Due to BOCC - Exp reimb	122,860	77,721	45,139	58%	<b>2</b>
Due to BOCC - Artspace project	428,070	428,070	-	NA	
Due to BOCC - Artspace Interest	120,747	75,659	45,088	60%	<b>3</b>
Due to BOCC - Franklin Park	-	280,264	(280,264)	-100%	<b>9</b>
Audit Fees Payable	900	18,375	(17,475)	-95%	<b>2</b>
Good Faith Deposits	75,000	43,000	32,000	74%	<b>4</b>
Net Pension Liability	423,522	-	423,522	100%	<b>3</b>
Accrued Sick/Vacation, LT	51,000	39,000	12,000	31%	<b>3</b>
Total Liabilities	<u>\$ 1,265,099</u>	<u>\$ 1,012,089</u>			
<b>Deferred Inflows</b>					
Deferred inflows related to pension	\$ 34,578	-	34,578	100%	<b>3</b>
<b>Equity</b>					
Beginning of year	\$ 13,207,828	\$ 14,009,899			
Current Year Earnings	481,538	(172,552)			
Total Equity	<u>13,689,366</u>	<u>13,837,347</u>			
Total Liabilities, Deferred Inflows and Equity	<u>\$ 14,989,043</u>	<u>\$ 14,849,436</u>			

**Criteria to determine if explanations are required:**

Cash account fluctuation explanations provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior year

- 1** Franklin Park proceeds transferred from Cash-Wells Fargo - Franklin Park to Cash-Wells Fargo September 2017
- 2** Timing of receipts/payments and accruals based on budget
- 3** Audit adjustments recorded based on current BOCC reports
- 4** Emerald Palms Good Faith Deposit
- 5** US Bank Custody account was closed and all holdings transferred to BNY Mellon Custody Account
- 6** Received residual funds from BNY Mellon
- 7** Due from BNY Mellon - Bond Residual from Broward SF 2006 AB, SF 2007 ABC, and SF 2007 E
- 8** Land donated by HFA to Franklin park project
- 9** Franklin Park project completed in Fiscal 2017

## Attachment 3

## The Housing Finance Authority of Broward County

110 NE Third Street, #300

Fort Lauderdale, FL 33301

## Profit &amp; Loss (Flux Report) Current Year-to-Date to Prior Year-to-Date

Year to Date As of May 2018

	May-18	May-17	\$ Difference	% Difference to PY	*Explanation
<b>Income</b>					
Bond Authority Fees	\$ 433,006	\$ 370,243	62,763	17%	<b>2</b>
Bond redemption & other income	301,695	79,859	221,836	278%	<b>2,7</b>
Compliance Monitoring Fees	10,400	6,000	4,400	NA	
Application, TEFRA and Closing Fees	286,000	9,500	276,500	2911%	<b>6</b>
MCC and Lender Program Income	10,208	14,817	(4,609)	-31%	
Interest Income, Mortgages	432	450	(18)	-4%	
Interest Income, Wells Fargo	696	605	91	15%	
** Interest Income, BNY Mellon/US Bank	76,161	49,455	26,706	54%	<b>1,3</b>
* Net Change in Investment Value	(23,254)	(53,646)	30,392	-57%	<b>1</b>
* Realized Gain/Loss On Investment, BNY Mellon	(2,923)	(2,852)	(71)	2%	
* Interest Income, FHLB LOC	54	43	11	26%	
FP Sales Proceeds Income	-	2,182	(2,182)	-100%	
Rent Income	-	121,044	(121,044)	100%	<b>2</b>
Parking Rent Income	9,000	6,040	2,960	49%	
Total Income	\$ 1,101,475	\$ 603,739	\$ 497,735		
<b>Expenses</b>					
Personnel Services, Broward Co	\$ 356,190	\$ 370,686	14,496	100%	<b>2</b>
Other Expenses, Broward County	78,947	120,713	41,766	100%	<b>2</b>
Professional Fees	91,586	142,084	50,498	36%	<b>2, 4</b>
Bank Management Fees	3,781	48,082	44,301	92%	<b>3</b>
Advertising/Marketing	1,082	1,066	(16)	-2%	
Dues and Membership Fees	2,220	7,290	5,070	70%	<b>2</b>
Conference and Travel Expense	12,287	20,339	8,052	40%	
Building/Land Maintenance	58,708	40,321	(18,387)	-46%	<b>2</b>
Utilities	12,780	12,125	(655)	-5%	
Miscellaneous Expense	175	-	175	100%	
Capital Outlay Expense	2,181	13,586	(11,405)	-84%	<b>5</b>
Total Expenses	\$ 619,938	\$ 776,291	\$ 133,895		
Net Profit/(Loss)	\$ 481,538	\$ (172,552)			

## Explanations provided for &gt;=10% and &gt;= \$5,000 variance

- 1** Gain/Loss related to current market conditions
- 2** Timing of receipts/payments and accruals based on budget
- 3** Termination of Karpus contract in fiscal 2017; investments transferred to BNY Mellon
- 4** Franklin Park Homes Construction project completed in fiscal 2017
- 5** Timing of expenditures for capital improvements
- 6** Received fees for Landings at Coconut Creek closing (Dec 2017) and NW Gardens conversion (Jan 2018)
- 7** Received residual funds from BNY Mellon

\* Please note that to more accurately reflect the components of interest income certain line descriptions were changed

\*\* BNY Mellon was combined with USBank because the USBank assets were transferred to BNY Mellon.

## "%Actual to Budget" Column Legend

NA - No amount reported in either of the two years

0% - Current year actual is equal to PY actual amount

**Attachment 4**  
**The Housing Finance Authority of Broward County**  
**110 NE Third Street, #300**  
**Fort Lauderdale, FL 33301**  
**Profit & Loss (Flux Report) Budget to Actual**  
**Year to Date As of May 2018**

	<u>Selected Period</u>	<u>Budgeted</u>	<u>\$ Difference</u>	<u>% Difference to budget</u>	<u>*Explanation</u>
<b>Income</b>					
Bond Authority Fees	\$ 433,006	\$ 277,270	\$ 155,736	56%	<b>1</b>
Bond redemption & other income	301,695	122,737	178,958	100%	<b>1</b>
Bond Audit Fees	-	-	-	NA	
Compliance Monitoring Fees	10,400	-	10,400	NA	
Application, TEFRA and Closing Fees	286,000	-	286,000	NA	
MCC and Lender Program Income	10,208	23,333	(13,125)	-56%	<b>1</b>
Interest Income, Mortgages	432	-	432	NA	
Interest Income, Wells Fargo	696	-	696	NA	
Interest Income, BNY Mellon/US Bank	76,161	126,667	(50,506)	-40%	<b>1</b>
Net Change in Investment Value	(23,254)	-	(23,254)	NA	
Realized Gain/Loss On Investment, BNY Mellon	(2,923)	-	(2,923)	NA	
Interest Income, FHLB LOC	54	-	54	NA	
Rent Income	-	80,700	(80,700)	100%	<b>1</b>
Parking Rent Income	9,000	-	9,000	NA	
Liquidation of Investments	-	66,667	(66,667)	100%	<b>1</b>
Total Income	<u>\$ 1,101,475</u>	<u>\$ 697,373</u>			
<b>Expenses</b>					
Personnel Services, Broward Co	\$ 356,190	\$ 366,727	\$ 10,537	3%	
Other Expenses, Broward County	78,947	124,713	(45,766)	-37%	<b>1</b>
Professional Fees	91,586	102,000	(10,414)	-10%	<b>1</b>
Audit Expense (BOCC)	-	8,800	(8,800)	100%	<b>1</b>
Bank Management Fees	3,781	2,667	1,114	42%	
Advertising/Marketing	1,082	2,667	(1,585)	-59%	
Dues and Membership Fees	2,220	4,000	(1,780)	-45%	
Conference and Travel Expense	12,287	14,333	(2,046)	-14%	
Postage/FedEx	-	133	(133)	100%	
Liab Insurance/HFA Board	-	6,000	(6,000)	100%	<b>1</b>
Building/Land Maintenance	58,708	38,667	20,041	52%	<b>1</b>
Utilities	12,780	13,333	(553)	-4%	
Capital Outlay Expense	2,181	13,333	(11,152)	-84%	<b>1</b>
Miscellaneous Expense	175	-	175	NA	
Total Expenses	<u>\$ 619,938</u>	<u>\$ 697,373</u>			
Net Profit/(Loss)	\$ 481,538	\$ -			

\* Explanations provided for >=10% and >= \$5,000 variance

**1** Timing of receipts/payments and accruals based on budget

NA - No Budget amount

100% - Actual is zero

**Attachment 5**  
**The Housing Finance Authority of Broward County**  
**110 NE Third Street, #300**  
**Fort Lauderdale, FL 33301**

**Aged Receivables**  
**5/31/2018**

---

<b>Authority fee receivable</b>	<b>Total Due</b>	<b>0 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>90+</b>
1997 Heron Pointe	\$ 3,525	\$ 3,525			
2003 Sanctuary Cove	13,815	13,815			
<b>Total Authority Fee Receivable</b>	<b>\$ 17,340</b>	<b>\$ 17,340</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

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NOTE: No receivables over 60 days

# 2784 Broward Housing Finance Authority

110 NE Third Street #300  
Fort Lauderdale, FL 33301

Attachment 6

## Reconciliation Report

6/5/2018  
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Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
<b>Checking Account: 1-1000 Cash-Wells Fargo</b>				
<b>Date of Bank Statement: 5/31/2018</b>				
<b>Last Reconciled: 4/30/2018</b>				
<b>Last Reconciled Balance: \$957,012.27</b>				
 <b>Cleared Checks</b>				
4865	4/18/2018	Milliken Services LLC		\$4,763.35
4866	4/27/2018	Zomermaad Financial Advisory		\$6,255.15
GJ000060	5/2/2018	Utility bill debit		\$385.69
SC053118	5/11/2018	WF Client Analysis Srvc Chrg		\$166.15
4867	5/14/2018	Megawattage, LLC		\$9,256.72
4868	5/15/2018	Dufresne CPA Services, PA		\$1,552.00
4869	5/15/2018	Sun-Sentinel		\$93.65
4870	5/15/2018			\$0.00
4871	5/15/2018	Broward County Board of Coun		\$179,639.94
4872	5/15/2018	TECO Peoples Gas		\$37.25
4873	5/15/2018	Holmes Lawn Services		\$335.00
4874	5/15/2018	L&B Janitorial Services		\$4,044.00
4875	5/22/2018	FL ALHFA		\$3,900.00
4876	5/22/2018	Krystal Kleer		\$320.00
4877	5/22/2018	Megawattage, LLC		\$6,171.15
4878	5/22/2018			\$0.00
GJ000066	5/30/2018	Utility bill debits		\$1,527.02
TR000001	5/30/2018	Money Transfer		\$300,000.00
Total:			\$0.00	\$518,447.07

### Cleared Deposits

GJ000064	5/4/2018	Deposit of DPA Loan payment	\$10,000.00	
GJ000061	5/18/2018	Lee County deposit	\$559.91	
GJ000062	5/18/2018	"Deposit of remaining Single F	\$301,695.01	
GJ000063	5/23/2018	"Deposit of May,June dental re	\$2,086.84	
GJ000065	5/30/2018	Deposit of DPA Loan payment	\$10,350.00	
Total:			\$324,691.76	\$0.00

### Outstanding Checks

4879	5/22/2018	Ruth T. Cyrus		\$1,616.46
4880	5/30/2018	Zomermaad Financial Advisory		\$6,031.16
4881	5/30/2018	Holmes Lawn Services		\$335.00
4882	5/30/2018	Milette Manos		\$1,295.33
Total:			\$0.00	\$9,277.95

### Reconciliation

AccountEdge Pro Balance on 5/31/2018:	\$753,979.01
Add: Outstanding Checks:	\$9,277.95
Subtotal:	\$763,256.96
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$763,256.96</u>

**Reconciliation Report**

6/5/2018  
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Page 2

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 5/31/2018				
Last Reconciled: 4/30/2018				
Last Reconciled Balance: \$957,012.27				

**Outstanding Checks**

**Attachment 7**

**Professional Fees Detail  
October 1, 2017 - May 31, 2018**

10/27/2017	Zomermaand Financial Advisory Services, LLC		\$6,110.27
11/9/2017	Dufresne CPA Services, PA		\$1,804.00
11/30/2017	Zomermaand Financial Advisory Services, LLC		\$5,836.33
12/5/2017	Dufresne and Associates		\$1,300.00
12/18/2017	Zomermaand Financial Advisory Services, LLC		\$5,600.00
12/29/2017	Dufresne CPA Service, PA	Paid quarterly	\$21,120.00
1/11/2018	Dufresne CPA Services PA		\$1,426.00
1/31/2018	Zomermaand Financial Advisory Services, LLC		\$6,133.02
2/15/2018	Dufresne CPA Services, PA		\$1,489.00
2/28/2018	Zomermaand Financial Advisory Services, LLC		\$6,157.40
3/6/2018	Dufresne CPA Services, PA		\$1,804.00
3/29/2018	Zomermaand Financial Advisory Services, LLC		\$6,729.79
4/10/2018	Dufresne CPA Services, PA		\$12,238.00
4/27/2018	Zomermaand Financial Advisory Services, LLC		\$6,255.15
5/15/2018	Dufresne CPA Services, PA		\$1,552.00
5/30/2018	Zomermaand Financial Advisory Services, LLC		\$6,031.16
			<u>\$91,586.12</u>

**Grouped by payee**

11/9/2017	Dufresne CPA Services, PA		\$1,804.00	
12/5/2017	Dufresne and Associates		\$1,300.00	
12/29/2017	Dufresne CPA Service, PA	Paid quarterly	\$21,120.00	
1/11/2018	Dufresne CPA Services PA		\$1,426.00	
2/15/2018	Dufresne CPA Services, PA		\$1,489.00	
3/6/2018	Dufresne CPA Services, PA		\$1,804.00	
4/10/2018	Dufresne CPA Services, PA		\$12,238.00	
5/15/2018	Dufresne CPA Services, PA		\$1,552.00	
			<u>\$42,733.00</u>	
10/27/2017	Zomermaand Financial Advisory Services, LLC		\$6,110.27	
11/30/2017	Zomermaand Financial Advisory Services, LLC		\$5,836.33	
12/18/2017	Zomermaand Financial Advisory Services, LLC		\$5,600.00	
1/31/2018	Zomermaand Financial Advisory Services, LLC		\$6,133.02	
2/28/2018	Zomermaand Financial Advisory Services, LLC		\$6,157.40	
3/29/2018	Zomermaand Financial Advisory Services, LLC		\$6,729.79	
4/27/2018	Zomermaand Financial Advisory Services, LLC		\$6,255.15	
5/30/2018	Zomermaand Financial Advisory Services, LLC		\$6,031.16	
			<u>\$48,853.12</u>	
			<u>\$91,586.12</u>	<u>\$ 91,586.12</u>

**Attachment 8**  
**Cumulative Net Change in Investment Value**  
**October 1, 2017 - May 31, 2018**

	<u>10/31/2017</u>	<u>5/31/2018</u>
BNY Mellon Custody Acct - New Account 11/17		(23,254)
US Bank Custody Acct	<u>(7,599)</u>	<u>(23,254)</u>
	<u>(7,599)</u>	<u>(23,254)</u>
<b>Cumulative Net Change in Investment Value</b>		<u>(15,655)</u>

NOTE: No material change



BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 762278

BROWARD HFA CUSTODY ACCT

Statement of Assets Held

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
<b>FIXED INCOME</b>					
1,500,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828XF2 MATURITY DATE: 06/15/2018 RATE: 1.125% MOODY'S Aaa	99.98000 0.00000	1,499,700.00 0.00	7,788.46 16,875.00	1.13%
1,000,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828RY8 MATURITY DATE: 12/31/2018 RATE: 1.375% MOODY'S Aaa	99.55100 99.68000	995,510.00 996,800.00	5,773.48 13,750.00	1.38%
1,000,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828TC4 MATURITY DATE: 06/30/2019 RATE: 1.000% MOODY'S Aaa	98.64100 98.89500	986,410.00 988,950.00	4,198.90 10,000.00	1.01%
850,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828UF5 MATURITY DATE: 12/31/2019 RATE: 1.125% MOODY'S Aaa	98.08600 98.71100	833,731.00 839,043.50	4,015.19 9,562.50	1.15%
1,000,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828XH8 MATURITY DATE: 06/30/2020 RATE: 1.625% MOODY'S Aaa	98.37900 99.53900	983,790.00 995,390.00	6,823.20 16,250.00	1.65%
20,956.140	GINNIE MAE II POOL 331415 CUSIP: 36224LDU8 MATURITY DATE: 12/20/2020 RATE: 7.250% ORIG-FACE: 1,028,879.000	100.12600 100.27500	20,982.54 21,013.77	126.61 1,519.32	7.24%
1,005,000.000	FEDERAL NATIONAL MORTGAGE ASSOCIATION CUSIP: 3135G0H55 MATURITY DATE: 12/28/2020 RATE: 1.875% MOODY'S Aaa S&P AA+	98.38400 98.61836	988,759.20 991,114.50	8,008.59 18,843.75	1.91%
29,794.530	FANNIE MAE POOL 546133 CUSIP: 31385JV21 MATURITY DATE: 08/25/2030 RATE: 6.490% ORIG-FACE: 1,768,018.000	100.33400 101.05905	29,894.04 30,110.07	161.14 1,933.66	6.47%
71,524.360	FANNIE MAE POOL 546134 CUSIP: 31385JV39 MATURITY DATE: 08/25/2030 RATE: 6.490% ORIG-FACE: 554,965.000	102.72000 103.42598	73,469.82 73,974.77	386.83 4,641.93	6.32%
74,313.580	GINNIE MAE II POOL 534515 CUSIP: 36212HYL8 MATURITY DATE: 08/20/2030 RATE: 6.490% ORIG-FACE: 1,807,679.000	113.11600 111.15400	84,060.55 82,602.52	401.91 4,822.95	5.74%
71,318.960	GINNIE MAE II POOL 534796 CUSIP: 36212JC95 MATURITY DATE: 09/20/2030 RATE: 6.490% ORIG-FACE: 585,653.000	113.12600 111.16097	80,680.29 79,278.85	385.72 4,628.60	5.74%
49,743.100	GINNIE MAE I POOL 557177 CUSIP: 36213K6N7 MATURITY DATE: 06/15/2031 RATE: 5.350% ORIG-FACE: 503,490.000	107.13100 109.84100	53,290.28 54,638.32	221.77 2,661.26	4.99%
27,901.420	FANNIE MAE POOL 629547 CUSIP: 31389ML47 MATURITY DATE: 09/25/2031 RATE: 5.350% ORIG-FACE: 328,530.000	100.17200 100.36701	27,949.41 28,003.82	124.39 1,492.73	5.34%
<b>Total FIXED INCOME</b>			<b>6,658,227.14</b> <b>5,180,920.12</b>	<b>38,416.19</b> <b>106,981.70</b>	<b>1.61%</b>

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**BNY MELLON**

The Bank of New York Mellon Trust Company, N.A.

## Account Statement

Statement Period 05/01/2018 Through 05/31/2018

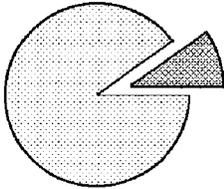
Account 762278  
BROWARD HFA CUSTODY ACCT

**CLIENT SERVICE MANAGER: CAROLINE COWART**  
10161 CENTURION PARKWAY, AIM: 323-0200  
JACKSONVILLE, FL 32256  
904-645-1919  
CAROLINE.COWART@BNYMELLON.COM

Go Paperless. Securely access your account online to view your statements. Ask your BNY Mellon contact how we can help you access your accounts, enter your own transactions or submit an audit confirmation online. Also be sure to ask how Connect(SM), our new web-based, single sign-on platform can help you go paperless.

Visit us at [www.bnymellon.com](http://www.bnymellon.com)

## Account Overview



Percent of all Investments	Asset Classification	Market Value
91%	FIXED INCOME	6,658,227.14
9%	CASH AND SHORT TERM	716,855.84
<b>100%</b>	<b>TOTAL OF ALL INVESTMENTS</b>	<b>7,375,082.98</b>

## Summary of Assets Held

Asset Classification	Market Value	Cost	Accrued Income	Est Annual Income	Market Yield
FIXED INCOME	6,658,227.14	5,180,920.12	38,416.19	106,981.70	1.61%
CASH AND SHORT TERM	716,855.84	716,855.84	0.00	11,753.16	1.64%
<b>ACCOUNT TOTALS</b>	<b>7,375,082.98</b>	<b>5,897,775.96</b>	<b>38,416.19</b>	<b>118,734.86</b>	<b>1.61%</b>

## Summary of Cash Transactions

Transaction Category	Current Period			Year-to-Date	
	Income	Principal	Realized Gains/Losses	Income	Principal
OPENING BALANCE	3.51	3.51 -		3.51	3.51 -
DIVIDENDS	6,447.72	0.00	0.00	25,353.38	0.00
INTEREST	1,820.33	0.00	0.00	35,421.15	0.00
SALES AND REDEMPTIONS	0.00	4,457,653.43	123.17 -	0.00	4,533,152.26
OTHER CASH ADDITIONS	0.00	300,000.00	0.00	0.00	300,000.00
OTHER CASH DISBURSEMENTS	0.00	3,756,388.04 -	0.00	0.00	3,757,138.04 -
PURCHASES	16,224.30 -	993,309.14 -	0.00	68,730.78 -	1,068,057.97 -
<b>CLOSING BALANCE</b>	<b>7,952.74 -</b>	<b>7,952.74</b>	<b>123.17 -</b>	<b>7,952.74 -</b>	<b>7,952.74</b>

The above cash transactions summary is provided for information purposes only and may not reflect actual taxable income or deductible expenses as reportable under the Internal Revenue Code.

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BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 762278

BROWARD HFA CUSTODY ACCT

Statement of Assets Held

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
<b>FIXED INCOME</b>					
1,500,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828XF2 MATURITY DATE: 06/15/2018 RATE: 1.125% MOODY'S Aaa	99.98000 0.00000	1,499,700.00 0.00	7,788.46 16,875.00	1.13%
1,000,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828RY8 MATURITY DATE: 12/31/2018 RATE: 1.375% MOODY'S Aaa	99.55100 99.68000	995,510.00 996,800.00	5,773.48 13,750.00	1.38%
1,000,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828TC4 MATURITY DATE: 06/30/2019 RATE: 1.000% MOODY'S Aaa	98.64100 98.89500	986,410.00 988,950.00	4,198.90 10,000.00	1.01%
850,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828UF5 MATURITY DATE: 12/31/2019 RATE: 1.125% MOODY'S Aaa	98.08600 98.71100	833,731.00 839,043.50	4,015.19 9,562.50	1.15%
1,000,000.000	UNITED STATES TREASURY NOTE/BOND CUSIP: 912828XH8 MATURITY DATE: 06/30/2020 RATE: 1.625% MOODY'S Aaa	98.37900 99.53900	983,790.00 995,390.00	6,823.20 16,250.00	1.65%
20,956.140	GINNIE MAE II POOL 331415 CUSIP: 36224LDU8 MATURITY DATE: 12/20/2020 RATE: 7.250% ORIG-FACE: 1,028,879.000	100.12600 100.27500	20,982.54 21,013.77	126.61 1,519.32	7.24%
1,005,000.000	FEDERAL NATIONAL MORTGAGE ASSOCIATION CUSIP: 3135G0H55 MATURITY DATE: 12/28/2020 RATE: 1.875% MOODY'S Aaa S&P AA+	98.38400 98.61836	988,759.20 991,114.50	8,008.59 18,843.75	1.91%
29,794.530	FANNIE MAE POOL 546133 CUSIP: 31385JV21 MATURITY DATE: 08/25/2030 RATE: 6.490% ORIG-FACE: 1,768,018.000	100.33400 101.05905	29,894.04 30,110.07	161.14 1,933.66	6.47%
71,524.360	FANNIE MAE POOL 546134 CUSIP: 31385JV39 MATURITY DATE: 08/25/2030 RATE: 6.490% ORIG-FACE: 554,965.000	102.72000 103.42598	73,469.82 73,974.77	386.83 4,641.93	6.32%
74,313.580	GINNIE MAE II POOL 534515 CUSIP: 36212HYL8 MATURITY DATE: 08/20/2030 RATE: 6.490% ORIG-FACE: 1,807,679.000	113.11600 111.15400	84,060.55 82,602.52	401.91 4,822.95	5.74%
71,318.960	GINNIE MAE II POOL 534796 CUSIP: 36212JC95 MATURITY DATE: 09/20/2030 RATE: 6.490% ORIG-FACE: 585,653.000	113.12600 111.16097	80,680.29 79,278.85	385.72 4,628.60	5.74%
49,743.100	GINNIE MAE I POOL 557177 CUSIP: 36213K6N7 MATURITY DATE: 06/15/2031 RATE: 5.350% ORIG-FACE: 503,490.000	107.13100 109.84100	53,290.28 54,638.32	221.77 2,661.26	4.99%
27,901.420	FANNIE MAE POOL 629547 CUSIP: 31389ML47 MATURITY DATE: 09/25/2031 RATE: 5.350% ORIG-FACE: 328,530.000	100.17200 100.36701	27,949.41 28,003.82	124.39 1,492.73	5.34%
<b>Total FIXED INCOME</b>			<b>6,658,227.14</b> <b>5,180,920.12</b>	<b>38,416.19</b> <b>106,981.70</b>	<b>1.61%</b>

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**BNY MELLON**

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 762278

BROWARD HFA CUSTODY ACCT

**Statement of Assets Held - Continued**

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
<b>CASH AND SHORT TERM</b>					
79,218.550	BLACKROCK TREASURY TRUST INSTL 62 CUSIP: X9USDBLYT	1.00000	79,218.55	0.00	1.64%
637,637.290	BLACKROCK TREASURY TRUST INSTL 62 CUSIP: X9USDBLYT	1.00000	637,637.29	1,298.82	1.64%
		1.00000	637,637.29	0.00	1.64%
		1.00000	637,637.29	10,454.34	1.64%
<b>Total CASH AND SHORT TERM</b>			<b>716,855.84</b>	<b>0.00</b>	<b>1.64%</b>
			<b>716,855.84</b>	<b>11,753.16</b>	

**ACCOUNT TOTALS**

<b>7,375,082.98</b>	<b>38,416.19</b>	<b>1.61%</b>
<b>5,897,775.96</b>	<b>118,734.86</b>	

Total Market Value Plus Total Accrued Income 7,413,499.17

**Statement of Transactions**

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/01/18	OPENING BALANCE	3.51	3.51 -	9,353,975.37	
05/02/18	Purchase BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 6,447.720 SHARES	6,447.72 -	0.00	6,447.72	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 215.230 SHARES	215.23	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 222.310 SHARES	222.31	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 211.190 SHARES	211.19	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 206.310 SHARES	206.31	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 217.980 SHARES	217.98	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 211.690 SHARES	211.69	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 669.720 SHARES	669.72	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 222.410 SHARES	222.41	0.00	0.00	0.00
05/02/18	Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT	218.11	0.00	0.00	0.00



BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 762278

BROWARD HFA CUSTODY ACCT

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/02/18	218.110 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 212.750 SHARES	212.75	0.00	0.00	0.00
05/02/18	215.370 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 215.370 SHARES	215.37	0.00	0.00	0.00
05/02/18	214.390 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 214.390 SHARES	214.39	0.00	0.00	0.00
05/02/18	211.140 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 211.140 SHARES	211.14	0.00	0.00	0.00
05/02/18	206.580 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 206.580 SHARES	206.58	0.00	0.00	0.00
05/02/18	219.520 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 219.520 SHARES	219.52	0.00	0.00	0.00
05/02/18	637.920 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 637.920 SHARES	637.92	0.00	0.00	0.00
05/02/18	634.460 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 634.460 SHARES	634.46	0.00	0.00	0.00
05/02/18	222.950 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 222.950 SHARES	222.95	0.00	0.00	0.00
05/02/18	207.140 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 207.140 SHARES	207.14	0.00	0.00	0.00
05/02/18	211.380 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 211.380 SHARES	211.38	0.00	0.00	0.00
05/02/18	204.750 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 204.750 SHARES	204.75	0.00	0.00	0.00
05/02/18	654.420 SHARES Dividend BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USDBLYT 654.420 SHARES	654.42	0.00	0.00	0.00
05/02/18	<b>DAILY ENDING BALANCE</b>	<b>3.51</b>	<b>3.51 -</b>	<b>9,360,423.09</b>	<b>0.00</b>
05/15/18	Purchase BLACKROCK TREASURY TRUST INSTL 62	0.00	218.66 -	218.66	0.00

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BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 762278

BROWARD HFA CUSTODY ACCT

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/15/18	TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP X9USDBLYT 218.660 SHARES Purchase	222.75 -	0.00	222.75	0.00
05/15/18	BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP X9USDBLYTI 222.750 SHARES Paydown	0.00	218.66	240.18 -	21.52 -
05/15/18	GINNIE MAE I POOL 557177 RATE: 5.350% MATURITY: 06/15/31 CUSIP 36213K6N7 218.660 SHARES Interest	222.75	0.00	0.00	0.00
05/15/18	GINNIE MAE I POOL 557177 RATE: 5.350% MATURITY: 06/15/31 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 36213K6N7 49,961.760 SHARES <b>DAILY ENDING BALANCE</b>	<b>3.51</b>	<b>3.51 -</b>	<b>9,360,624.32</b>	<b>21.52 -</b>
05/21/18	Purchase BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/21/18 SET/DATE 05/21/18 CUSIP X9USDBLYT 1,405.010 SHARES	0.00	1,405.01 -	1,405.01	0.00
05/21/18	Purchase BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/21/18 SET/DATE 05/21/18 CUSIP X9USDBLYTI 922.240 SHARES	922.24 -	0.00	922.24	0.00
05/21/18	Paydown GINNIE MAE II POOL 534515 RATE: 6.490% MATURITY: 08/20/30 CUSIP 36212HYL8 461.480 SHARES	0.00	461.48	512.95 -	51.47 -
05/21/18	Paydown GINNIE MAE II POOL 534796 RATE: 6.490% MATURITY: 09/20/30 CUSIP 36212JC95 321.410 SHARES	0.00	321.41	357.28 -	35.87 -
05/21/18	Paydown GINNIE MAE II POOL 331415 RATE: 7.250% MATURITY: 12/20/20 CUSIP 36224LDU8 622.120 SHARES	0.00	622.12	623.83 -	1.71 -
05/21/18	Interest GINNIE MAE II POOL 534515 RATE: 6.490% MATURITY: 08/20/30 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36212HYL8 74,775.060 SHARES	404.41	0.00	0.00	0.00
05/21/18	Interest GINNIE MAE II POOL 534796 RATE: 6.490% MATURITY: 09/20/30 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36212JC95 71,640.370 SHARES	387.46	0.00	0.00	0.00
05/21/18	Interest GINNIE MAE II POOL 331415 RATE: 7.250% MATURITY: 12/20/20 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36224LDU8 21,578.260 SHARES	130.37	0.00	0.00	0.00
05/21/18	<b>DAILY ENDING BALANCE</b>	<b>3.51</b>	<b>3.51 -</b>	<b>9,361,457.51</b>	<b>110.57 -</b>
05/25/18	Purchase BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP X9USDBLYT	0.00	570.97 -	570.97	0.00

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 762278

BROWARD HFA CUSTODY ACCT

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/25/18	570.970 SHARES Purchase BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP X9USDBLYTI 675.340 SHARES	675.34 -	0.00	675.34	0.00
05/25/18	Paydown FANNIE MAE POOL 546133 RATE: 6.490% MATURITY: 08/25/30 CUSIP 31385JV21 142.630 SHARES	0.00	142.63	144.14 -	1.51 -
05/25/18	Paydown FANNIE MAE POOL 546134 RATE: 6.490% MATURITY: 08/25/30 CUSIP 31385JV39 311.250 SHARES	0.00	311.25	321.91 -	10.66 -
05/25/18	Paydown FANNIE MAE POOL 629547 RATE: 5.350% MATURITY: 09/25/31 CUSIP 31389ML47 117.090 SHARES	0.00	117.09	117.52 -	0.43 -
05/25/18	Interest FANNIE MAE POOL 546133 RATE: 6.490% MATURITY: 08/25/30 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31385JV21 29,937.160 SHARES	161.91	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 546134 RATE: 6.490% MATURITY: 08/25/30 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31385JV39 71,835.610 SHARES	388.51	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 629547 RATE: 5.350% MATURITY: 09/25/31 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31389ML47 28,018.510 SHARES	124.92	0.00	0.00	0.00
05/25/18	<b>DAILY ENDING BALANCE</b>	<b>3.51</b>	<b>3.51 -</b>	<b>9,362,120.25</b>	<b>123.17 -</b>
05/30/18	Purchase FEDERAL NATIONAL MORTGAGE ASSOCIATION RATE: 1.875% MATURITY: 12/28/20 TRADE DATE 05/30/18 SET/DATE 05/30/18 CUSIP 3135G0H55 1,005,000.000 SHARES	7,956.25 -	991,114.50 -	991,114.50	0.00
05/30/18	Sale BLACKROCK TREASURY TRUST INSTL 62 TRADE DATE 05/30/18 SET/DATE 05/30/18 CUSIP X9USDBLYT 4,455,458.790 SHARES	0.00	4,455,458.79	4,455,458.79 -	0.00
05/30/18	Cash Credit ORD CUST:/002020000443043 HOUSING FINANCE AUTHORITY OF BROWA ORD INST:WELLS FARGO BANK NA 444 MRKT ST,FX OPRTNS MAC N0019 DETAIL:BROWARD HFA CUSTODY ACCT IMA:201805301B7031R001491 FTS:FD1805300281200	0.00	300,000.00	0.00	0.00
05/30/18	Cash Debit BNF:THE BANK OF NEW YORK MELLON TRUST DETAIL:REF: BROWARD SF 2006 AB DETAIL:ATTN: TIM RADICIONI	0.00	1,394,300.64 -	0.00	0.00
05/30/18	Cash Debit BNF:THE BANK OF NEW YORK MELLON TRUST DETAIL:REF: BROWARD SF 2007 ABC DETAIL:ATTN: TIM RADICIONI	0.00	2,147,149.98 -	0.00	0.00
05/30/18	Cash Debit BNF:THE BANK OF NEW YORK MELLON TRUST	0.00	214,937.42 -	0.00	0.00

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 762278

BROWARD HFA CUSTODY ACCT

**Statement of Transactions - Continued**

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
	DETAIL:REF: BROWARD SF 2007 E DETAIL:ATTN: TIM RADICIONI				
05/30/18	DAILY ENDING BALANCE	7,952.74 -	7,952.74	5,897,775.96	123.17 -
05/31/18	CLOSING BALANCE	7,952.74 -	7,952.74	5,897,775.96	123.17 -

Cumulative realized capital gain and loss position from 12/31/2017 for securities held in principal of account:

Short Term: 0.00 \* Long Term: 2,859.96\*

\* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

Cash and securities set forth on this Account Statement are held by The Bank of New York Mellon, an affiliate of The Bank of New York Mellon Trust Company, N.A. In addition, The Bank of New York Mellon Trust Company, N.A. may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

The value of securities set forth on this Account Statement are obtained by The Bank of New York Mellon Trust Company, N.A., from its affiliate, The Bank of New York Mellon which determines such values for Corporate Trust on the basis of market prices and information obtained by The Bank of New York Mellon from unaffiliated third parties (including independent pricing vendors) ("third party pricing services"). The Bank of New York Mellon has not verified such market values or information and makes no assurances as to the accuracy or correctness of such market values or information or that the market values set forth on this Account Statement reflect the value of the securities that can be realized upon the sale of such securities. In addition, the market values for the securities set forth in this Account Statement may differ from the market prices and information for the same securities used by other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates based upon market prices and information received from other third party pricing services utilized by such other business units. Corporate Trust does not compare its market values with those used by, or reconcile different market values used by, other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates. Neither The Bank of New York Mellon Trust Company, N.A. nor The Bank of New York Mellon shall be liable for any loss, damage or expense incurred as a result of or arising from or related to the market values or information provided by third party pricing services or the differences in market prices or information provided by other third party pricing services.

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**Housing Finance Authority of Broward County**  
**June 20, 2018 – Board Meeting**

**Multifamily Family (Emerald Palms Apartments) - Action Item**

*Request 1) approval of the Credit Underwriting Report and 2) authorization of a Resolution providing approval to execute corresponding documents and authorize other actions required to issue and deliver not to exceed \$38,000,000 Multifamily Mortgage Revenue Note (the “Note”) for the purpose of financing the acquisition and rehabilitation of a multi-family residential development in Broward County, Florida.*

**Background**

1. On March 20, 2017, the HFA received a multifamily bond application from MRK Partners, Inc. (the “Developer”) pertaining to the acquisition and rehabilitation of a 318 unit development. MRK Partners, Inc., its assignee or related party will be the owner of Emerald Palms Apartments (the “Development”).
2. At its April 19, 2017 meeting the HFA approved an Inducement Resolution for the Development and provided staff authorization to: a) hold a TEFRA hearing and b) open a Good Faith Deposit account with the Trustee.
3. The TEFRA hearing was held on April 5, 2018 and the Mayor and City Manager of Dania Beach were provided notice regarding the potential development prior to the HFA holding a TEFRA Hearing.
4. At its March 21, 2018 meeting, the HFA approved a resolution authorizing the reduction from \$190,000 to \$75,000 of the Good Faith Deposit required to be paid by the Developer to the HFA.
5. The HFA has sufficient tax-exempt carry forward allocation available to fully fund this transaction.

**Present Situation**

1. The Developer has identified the Emerald Palms Venture LP, a Florida limited partnership as the Borrower.
2. As the multifamily Bond audit is no longer required per County Ordinance, the Developer requests a waiver of the HFA’s Audit Fees. Note audited financial statements will still be required for the Development. This waiver only pertains to the audit of funds held with the Fiscal Agent.
3. Borrower request referenced within #2 above is addressed within the HFA Resolution.
4. The closing for the financing of this Development is presently scheduled for August 2018.

## **Recommendation**

1. Request Board approval of the following:
  - a. Credit Underwriting Report, and
  - b. HFA Resolution including authorization to execute Note documents and authorize other actions required to issue and deliver not to exceed \$38,000,000 of Multifamily Mortgage Revenue Note for the purpose of financing the acquisition and rehabilitation of a multi-family residential development in Broward County, Florida.

## **EXHIBITS**

1. Credit Underwriting Report
2. HFA Resolution
  - a. Funding Loan Agreement
  - b. Project Loan Agreement
  - c. Land Use Restriction Agreement
  - d. Assignment of Security Instrument
  - e. Project Note
  - f. Placement Agent Agreement
  - g. Fiscal Agent Fee Agreement
  - h. Commitment Letter

***Due to the large size of the bond documents on Emerald Palms Apartments (one copy set) will be available at the Board meeting.***

# **ATTACHMENT 1**

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# **Housing Finance Authority of Broward County**

*Credit Underwriting Report*

## **Emerald Palms Apartments**

Multifamily Mortgage Revenue Bond Program

Section A Report Summary

Section B Loan Conditions

Section C Supporting Information and Schedules

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*Prepared by*

***Seltzer Management Group, Inc.***

*Draft Report*

*June 13, 2018*

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**EMERALD PALMS APARTMENTS**

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**Section A**  
**Report Summary**

DRAFT

**Recommendation**

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends a Housing Finance Authority of Broward County ("HFABC") Multifamily Mortgage Revenue Note ("MMRN") of \$33,220,000 for construction/permanent financing (see Financing Structure below) for Emerald Palms Apartments.

**DEVELOPMENT & SET-ASIDES**

Development Name: Emerald Palms Apartments

RFA/Program Numbers: \_\_\_\_\_ / \_\_\_\_\_

Address: 5331 Southwest 43rd Terrace

City: Dania Beach Zip Code: 33314 County: Broward County Size: Large

Development Category: Acquisition/Rehab Development Type: Garden Apts (1-3 Stories)

Construction Type: Slab on grade foundation with CMU walls, wood framed roof, and stucco façade

Demographic Commitment:

Primary: Family for 100% of the Units

Secondary: \_\_\_\_\_ for \_\_\_\_\_ of the Units

Unit Composition:

# of ELI Units: 0 ELI Units Are Restricted to \_\_\_\_\_ AMI, or less. Total # of units with PBRA? 0

# of Link Units: 0 Are the Link Units Demographically Restricted? No # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	76	728	60%			\$909	\$74	\$835		\$835	\$835	\$835	\$761,520
2	1.0	28	937	60%			\$1,092	\$90	\$1,002		\$1,002	\$1,002	\$1,002	\$336,672
2	2.0	117	963	60%			\$1,092	\$90	\$1,002		\$1,002	\$1,002	\$1,002	\$1,406,808
3	1.0	36	920	60%			\$1,260	\$103	\$1,157		\$1,157	\$1,157	\$1,157	\$499,824
3	2.0	61	1,266	60%			\$1,260	\$103	\$1,157		\$1,157	\$1,157	\$1,157	\$846,924
		318	304,581											\$3,851,748

Buildings: Residential - 64

Non-Residential - 1

Parking: Parking Spaces - 749

Accessible Spaces - 25

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB	40.0%	318	60%	15
SAIL	100.0%	318	60%	34
HC	100.0%	318	60%	50

Absorption Rate 0 units per month for 0.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.25% Economic Occupancy 96.00%  
 Occupancy Comments Vacancy loss of 3.75% and collection loss of 0.25%

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: No  
 Site Acreage: 19.18 Density: 16.5789 Flood Zone Designation: X  
RM-1, Multiple-Family District and RD-8000, Two-Family  
 Zoning: Residential District Flood Insurance Required?: No

It should be noted that the majority of the subject site is located in Flood Zone X an area determined to be outside of the 500-year flood plain. However, the subject’s parking areas and road ways are located in combination of Flood Zone X and Flood Zone AH, with the majority being in Flood Zone AH. It is noted that no building structures and none of the entrances located off South State Road 7 are located in Flood Zone AH.

DEVELOPMENT TEAM		
Applicant/Borrower:	<a href="#">Emerald Palms Venture LP</a>	% Ownership
General Partner	<a href="#">Emerald Palms Venture GP, LLC</a>	0.0100%
General Partner		
Limited Partner	<a href="#">Boston Financial Investments Management, LP ("BFIM")</a>	99.9900%
Limited Partner		
Special LP		
Construction Completion Guarantor(s):		
CC Guarantor 1:	<a href="#">Emerald Palms Venture LP</a>	
CC Guarantor 2:	<a href="#">Emerald Palms Venture GP, LLC</a>	
CC Guarantor 3:	<a href="#">Sydne Garchik</a>	
CC Guarantor 4:	<a href="#">Stephen Garchik</a>	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	<a href="#">Emerald Palms Venture LP</a>	
OD Guarantor 2:	<a href="#">Emerald Palms Venture GP, LLC</a>	
OD Guarantor 3:	<a href="#">Sydne Garchik</a>	
OD Guarantor 4:	<a href="#">Stephen Garchik</a>	
Bond Purchaser		
Developer:	<a href="#">MRK Partners, Inc.</a>	
Principal 1	<a href="#">Sydne Garchik</a>	
General Contractor 1:	<a href="#">ZMG Construction, Inc. ("ZMG")</a>	
Management Company:	<a href="#">Apartment Management Consultants, LLC ("AMC")</a>	
Syndicator:	<a href="#">BFIM</a>	
Bond Issuer:	<a href="#">Housing Finance Authority of Broward County ("HFABC")</a>	
Architect:	<a href="#">Blumentals/Architecture, Inc.</a>	
Market Study Provider:	<a href="#">Integra Realty Resources ("Integra")</a>	
Appraiser:	<a href="#">Integra</a>	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First	Second	Third			
Lender/Grantor	HFABC	SAIL	General Partner	0	0	0
Amount	\$33,220,000	\$1,250,000	\$870,625.00	\$0	\$0.00	\$0.00
Underwritten Interest Rate	4.92%	3.00%	0.00%	0.00%	0.00%	0.00%
All In Interest Rate						
Loan Term	13.0	0.0	0.0	0.0	0.0	0.0
Amortization	35.0	N/A	N/A	0.0	0.0	0.0
Market Rate/Market Financing LTV	46.1%	47.8%	49.0%			
Restricted Market Financing LTV	78.7%	81.7%	83.7%			
Restricted Favorable Financing LTV	75.5%	78.3%	80.3%			
Loan to Cost - Cumulative	56.8%	58.9%	60.4%			
Loan to Cost - SAIL Only		2.1%				
Debt Service Coverage	1.129	1.105	1.105			
Operating Deficit & Debt Service Reserves	\$901,814.00					
# of Months covered by the Reserves	2.94					
Deferred Developer Fee				\$6,496,446		
As-Is Land Value				\$4,290,000		
As-Is Value (Land & Building)				\$57,400,000		
Market Rent/Market Financing Stabilized Value				\$72,100,000		
Rent Restricted Market Financing Stabilized Value				\$42,200,000		
Rent Restricted Favorable Financing Stabilized Value				\$44,000,000		
Projected Net Operating Income (NOI) - Year 1				\$2,319,192		
Projected Net Operating Income (NOI) - 15 Year				\$2,822,351		
Year 15 Pro Forma Income Escalation Rate				2.00%		
Year 15 Pro Forma Expense Escalation Rate				3.00%		
Bond Structure				Tax-Exempt Loan		
Housing Credit (HC) Syndication Price				\$0.945		
HC Annual Allocation - Qualified in CUR				\$1,823,234		
HC Annual Allocation - Equity Letter of Interest				\$1,573,418		

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	HFABC	\$33,220,000.00	\$33,220,000.00	\$104,465.41
Second Mortgage	SAIL	\$1,250,000.00	\$1,250,000.00	\$3,930.82
Third Mortgage	General Partner	\$870,624.51	\$870,625.00	\$2,737.81
HC Equity	BFIM	\$13,558,450.00	\$14,948,677.00	\$47,008.42
Def Developer Fee	Developer	\$7,318,789.00	\$6,496,445.51	\$20,429.07
<b>TOTAL</b>		\$56,217,863.51	\$56,785,747.51	\$178,571.53

Financing Structure:

Applicant submitted a Multifamily Revenue Bond Program Application HFABC. The Emerald Palms Apartments transaction will not involve the issuance of HFABC Tax-Exempt Bonds. However, Jones Lange LaSalle Multifamily, LLC ("JLL") will loan up to \$34,415,000 to the HFABC through a Tax-Exempt "Back-to-Back" Loan ("TEL") in connection with the construction/permanent financing of the subject development.

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?		1
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?		2

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

1. Total Development Costs ("TDC") as stated in the application were \$58,008,402. TDC have increased to \$59,592,491 an increase of \$1,584,089 or 2.73%. General Development Costs and Financial Costs have increased by \$135,596 and \$1,467,668 respectively. This is due in large part to the increase in the construction interest budget.
2. Changes to the Broward County Bond Application:
  - a. Applicant stated the number of acres as being 27.5 in the application. The Market Study and Appraisal from Integra reflect the site as being 19.18 acres. The ALTA survey dated April 11, 2017 confirms the site being 19.18 acres.
  - b. The unit mix included in the application reflected 76 one bedroom units, 144 two bedroom units, and 98 three bedroom units. It has been confirmed with the Applicant that the correct unit mix is 76 one bedroom, 145 two bedroom, and 97 three bedroom units.
  - c. The application noted that the bonds were going to be Cash Collateralized short term bonds with HUD 223(f) LIHTC PILOT through JLL Capital Markets. Subsequently, Applicant provided a commitment from JLL for a permanent mortgage loan with a term of 192 months (16 years) including an interest only period of 36 months.

These changes have no substantial material impact to the MMRB recommendations for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

Florida Housing's Past Due Report dated April 26, 2018 reflects the following past due item(s): None

The Asset Management Noncompliance Report dated March 27, 2018 reflects the following noncompliance issues: None

This recommendation is subject to satisfactory resolution (as determined by FHFC) of any outstanding past due and/or noncompliance issues prior to loan closing.

Strengths:

1. Per the Market Study, Integra, states that there is adequate demand for affordable housing in the subject's Primary Market Area ("PMA").
2. Per the Market Study, Integra advised that the comparable properties in the subject's market area are reporting a weighted average occupancy rate of 99.1%.

3. Although the Borrower and general partner are newly formed, the Developer and its principal, Sydne Garchik, have sufficient experience and financial resources to operate the proposed Development.

Other Considerations: None

Mitigating Factors: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The Debt Service Coverage Ratio ("DSCR") for the first and second loans reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48.0072 (11), if the Applicant defers at least 35 percent of its Developer Fee for at least six (6) months following construction completion, the minimum debt service coverage shall be 1.00 for the SAIL, including all superior mortgages. This Development will be required to defer Developer Fee.

Issues and Concerns:

1. Per the BFIM LOI, an operating/debt service reserve will be funded from the fifth and sixth Capital Contributions. The reserve shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released). Funds shall be used to fund operating deficits of the Partnership subject to BFIM's approval. The reserve will be held by the Partnership in a tax-exempt account. The amount of the reserve will be equal to approximately three months operating expenses, reserve payments, and required debt service.

The release of the ODR at the end of the Compliance Period and distributed as Net Cash Flow does not conform to FHFC ODR release criteria. Prior to loan closing the release criteria of the ODR as stated in the Limited Partnership Agreement will be required to conform to FHFC requirements as stated on Page B-2 item #15 of this Report.

Recommendation:

SMG recommends the HFABC fund \$33,220,000 of First Mortgage TEL during the construction period to Emerald Palms Apartments for Construction/Permanent Financing. 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 subject to the Loan Conditions (Section B). The reader is cautioned to refer to these sections for complete information.

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

Prepared by:



Brian Barth  
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	HFABC	\$32,910,000	\$33,220,000	\$33,220,000	4.92%	\$1,164,527
Second Mortgage	SAIL	\$1,250,000	\$1,250,000	\$1,250,000	3.00%	\$37,500
Third	Broward Co	\$1,500,000	\$0	\$0	0.00%	\$0
Third	General Partner	\$0	\$1,917,886	\$870,625	0.00%	\$0
HC Equity	BFIM	\$15,035,814	\$13,558,450	\$13,558,450		
Deferred Developer Fee	Developer	\$7,312,588	\$7,318,789	\$7,318,789		
NOI		\$0	\$1,723,125	\$1,723,125		
Def Operating Reserve	BFIM	\$0	\$567,884	\$567,884		
<b>Total</b>		<b>\$58,008,402</b>	<b>\$59,556,134</b>	<b>\$58,508,873</b>		<b>\$1,202,027</b>

#### Proposed Tax-Exempt Loan:

Per a May 25, 2018 Commitment Letter, Jones Lang LaSalle Multifamily, LLC ("JLL") will arrange a tax exempt construction/permanent loan to the HFABC in an amount up to \$34,415,000 (subject to final underwriting), such that the HFABC can provide the Applicant a tax exempt funding loan for construction financing up to that amount. The Applicant has estimated the tax exempt loan to be in the amount of \$33,220,000. The loan will be interest only for a period of thirty-six (36) months. The commitment notes that the interest rate has been locked at an all-in rate of 4.92%, consisting of a base interest rate of 2.94% and an interest rate spread of 1.92% and servicing of 0.06%. The commitment reflects a required outside funding loan origination date of March 1, 2019 and a mandatory delivery date of March 16, 2019.

#### Other Construction Sources of Funds:

Additional sources of funds for this Development during construction are an assumed SAIL loan of \$1,250,000, GP Loan estimated at \$870,625, Net Operating Income ("NOI") estimated by the Applicant at \$1,723,125, Deferred Operating/Debt Service Reserve of \$567,884, Housing Credit equity of \$13,558,450, and deferred Developer Fees in the amount of \$7,318,789. See the Permanent Financing section below for details.

**Permanent Financing Sources**

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	HFABC	\$32,910,000	\$33,220,000	\$33,220,000	4.92%	35	13	\$1,991,594
Second Mortgage	SAIL	\$1,250,000	\$1,250,000	\$1,250,000	3.00%	N/A		\$37,500
Third	Broward Co	\$1,500,000	\$0	\$0	0.00%	N/A		\$0
Third	General Partner	\$0	\$1,955,050	\$870,625	0.00%			\$0
HC Equity	BFIM	\$15,035,814	\$14,948,677	\$14,948,677				
Def. Developer Fee	Developer	\$7,312,588	\$6,496,447	\$6,496,446				
NOI		\$0	\$1,723,125	\$1,723,125				
<b>Total</b>		<b>\$58,008,402</b>	<b>\$59,593,299</b>	<b>\$58,508,873</b>				<b>\$2,029,094</b>

Proposed First Mortgage Loan:

As stated earlier, JLL will arrange a tax exempt construction/permanent loan to the HFABC in an amount up to \$34,415,000, currently estimated at \$33,220,000, such that the HFABC can provide the Applicant a tax exempt funding loan for construction/permanent financing in a like amount. JLL notes that the minimum debt service coverage ratio ("DSCR") shall be 1.15 to 1.00.

Loan interest has been locked at an all-in interest rate of 4.92%, consisting of a base interest rate of 2.94% and an interest rate spread of 1.92% and servicing of 0.06%. The term of the loan is 192 months (16 years) which includes the 36 month interest only period. Amortization is to commence on the first day of the thirty-seventh (37<sup>th</sup>) month, immediately following the funding origination date, based on a 420 month (35 year) amortization schedule. The maturity date shall be the last day of the 192<sup>nd</sup> month (16<sup>th</sup> year) of the loan term.

SAIL

Borrower will assume an existing SAIL in the amount of \$1,250,000. The terms of the SAIL are 3.00% simple interest per annum over the life of the loan. The current maturity date of the SAIL is December 1, 2033 per an Amended and Restated Promissory Note dated May 31, 2017. Applicable fees for permanent loan servicing and an annual compliance monitoring fee are based on the principal amount of the SAIL outstanding. Any unpaid interest will be deferred until cash flow is available. At maturity, all principal and unpaid interest will be due.

The original SAIL Land Use Restriction Agreement ("LURA") was dated August 16, 2002 reflecting an affordability period of 50 years from first occupied unit. The SAIL has an estimated remaining term of 34 years.

GP Loan

The Applicant has provided a draft letter from the General Partner, Emerald Palms Venture GP, LLC, stating the owners Sydne Garchik and Stephen Garchik, individually, will fund any shortfall in the sources and uses of Emerald Palms Apartments in both the construction and permanent periods. No terms and conditions have been placed on the GP Loan.

Housing Credits Equity Investment:

The Borrower has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt financing. An HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a June 4, 2018 letter of intent, Boston Financial Investment Management LP (“BFIM”) or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$2,989,735	20.00%	January 1, 2019
2nd Installment	\$2,989,735	20.00%	Later of 25% Construction Completion or April 1, 2019
3rd Installment	\$4,260,373	28.50%	Later of 50% Construction Completion or July 1, 2019
4th Installment	\$2,556,224	17.10%	Later of 75% Construction Completion or October 1, 2019
5th Installment	\$762,383	5.10%	Later of 98% Construction Completion or December 31, 2019
6th Installment	\$1,390,227	9.30%	Final Closing Installment: Latest of (I) 100% Initial Qualified Occupancy confirmed by tenant file review, (II) receipt of 8609s, (III) Final Closing, (IV) stabilziation, (V) Tax Credit Determination, (VI) submssion of cost certification, or (VII) July 1, 2020
Total	\$14,948,677	100.00%	

Annual Tax Credits per Syndication Agreement: \$1,573,418

Total HC Available to Syndicator (10 years): \$15,732,607

Syndication Percentage (limited partner interest): 99.990%

Calculated HC Exchange Rate (per dollar): \$0.950

Proceeds Available During Construction: \$13,558,450

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds, NOI, and capital contributions have been received, the Developer will have to defer \$6,496,446 or 88.76% of Developer Fees.

## Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units				\$0	
Off-Site Work				\$0	\$0
Recreational Amenities				\$0	
Rehab of Existing Common Areas	\$259,280	\$259,280	\$259,280	\$815	
Rehab of Existing Rental Units	\$6,405,895	\$6,405,895	\$6,405,895	\$20,144	
Site Work	\$2,567,074	\$2,567,074	\$2,567,074	\$8,073	
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$9,232,249	\$9,232,249	\$9,232,249	\$29,032	\$0
General Conditions	\$553,935	\$553,935	\$553,935	\$1,742	
Overhead	\$184,645	\$184,645	\$184,645	\$581	
Profit	\$553,935	\$553,935	\$553,935	\$1,742	
Builder's Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds	\$184,645	\$184,645	\$184,645	\$581	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$10,709,409	\$10,709,409	\$10,709,409	\$33,677	\$0
Hard Cost Contingency	\$923,225	\$923,225	\$923,225	\$2,903	
PnP Bond paid outside Constr. Contr.				\$0	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
<b>Total Construction Costs:</b>	<b>\$11,632,634</b>	<b>\$11,632,634</b>	<b>\$11,632,634</b>	<b>\$36,581</b>	<b>\$0</b>

### Notes to the Construction Costs:

1. The Applicant has provided a working draft AIA Document A102-2007 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price that is unexecuted and not dated. The contract is in the amount of \$10,769,408.53 and calls for achievement of substantial completion no later than December 2019. Ten (10%) percent retainage will be withheld on all work performed. Final payment will be made when the contract has been fully performed, the General Contractor ("GC") has submitted final accounting for the Cost of the Work and a final Certificate for Payment has been issued by the Architect. The Owner's final payment to the Contractor shall be made no later than 30 days after the Architect's final Certificate for Payment.
2. SMG received the General Contractors Certification of Requirements indicating an understanding of GC conditions per Rule 67-21 and 67-48, F.A.C.

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3. General Contractor fees as stated are within the 14% maximum per the Rule. The payment and performance bond (\$184,645) will be paid through the construction contract. This cost includes the contractor's general liability insurance and payment and performance bond and these are not included in the calculation of the 14% GC Fee.
  4. The hard cost contingency is 8.62% of the construction contract amount and is within the limits of the Rule. The hard cost contingency is reflected on the schedule of values; however, it is not included in the contract amount and no GC fee is calculated on the amount.
  5. **SMG engaged and received a Plan and Cost Analysis ("PCA") from On Solid Ground, LLC ("OSG"). Complete results are set forth in Section C of this credit underwriting report.**

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GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$2,500	\$2,500	\$2,500	\$8	\$2,500
Appraisal	\$10,000	\$10,000	\$10,000	\$31	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$300,000	\$300,000	\$300,000	\$943	
Architect's Fee - Supervision	\$60,000	\$60,000	\$60,000	\$189	
Building Permits	\$285,000	\$285,000	\$285,000	\$896	
Builder's Risk Insurance				\$0	
Capital Needs Assessment/Rehab	\$15,000	\$15,000	\$15,000	\$47	
Engineering Fees	\$65,000	\$65,000	\$65,000	\$204	
Environmental Report	\$15,000	\$15,000	\$15,000	\$47	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$15,746	\$141,619	\$154,668	\$486	\$154,668
FHFC Application Fee	\$1,000	\$1,000	\$1,000	\$3	\$1,000
FHFC Credit Underwriting Fee	\$50,000	\$14,835	\$12,468	\$39	\$12,468
FHFC Compliance Fee	\$243,906	\$343,917	\$334,637	\$1,052	\$334,637
FHFC Other Processing Fee(s)	\$100,000			\$0	\$0
Impact Fee				\$0	
Lender Inspection Fees / Const Admin	\$25,000	\$25,000	\$25,000	\$79	\$25,000
Green Building Cert. (LEED, FGBC, NAHB)				\$0	
Home Energy Rating System (HERS)				\$0	
Insurance	\$135,000	\$135,000	\$135,000	\$425	\$135,000
Legal Fees - Organizational Costs	\$10,000	\$10,000	\$10,000	\$31	\$10,000
Local Subsidy Underwriting Fee				\$0	
Market Study	\$8,000	\$8,000	\$4,500	\$14	\$4,500
Marketing and Advertising	\$2,000	\$2,000	\$2,000	\$6	\$2,000
Plan and Cost Review Analysis	\$15,000	\$15,000	\$15,000	\$47	
Property Taxes				\$0	
Soil Test				\$0	
Survey	\$22,426	\$22,426	\$22,426	\$71	
Tenant Relocation Costs	\$91,000	\$91,000	\$91,000	\$286	
Title Insurance and Recording Fees	\$473,074	\$473,074	\$473,074	\$1,488	\$94,615
Traffic Study				\$0	
Utility Connection Fees				\$0	
Soft Cost Contingency	\$116,366	\$116,366	\$113,885	\$358	
Other: <i>Syndicator Fees</i>	\$100,000	\$100,000	\$100,000	\$314	\$100,000
Other: <i>Misc</i>	\$55,000	\$65,519	\$65,519	\$206	\$65,519
Other: <i>Basis Eligible R/U/I</i>	\$78,924	\$78,924	\$78,924	\$248	
Other:				\$0	
Other:				\$0	
<b>Total General Development Costs:</b>	<b>\$2,294,942</b>	<b>\$2,396,180</b>	<b>\$2,391,601</b>	<b>\$7,521</b>	<b>\$941,907</b>

*Notes to the General Development Costs:*

1. Architect's Fees for Site/Building Design and Supervision are based on a Proposal for Architecture Design between Owner and Architect, Blumentals/Architecture, Inc., for professional design services for the subject dated May 29, 2018.
2. Engineering Fees are noted as being roofing, plumbing, energy consultant fees, and any additional civil survey fees.

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3. Insurance includes the Owner's general liability and property insurance. The Owner has course of construction included in their policy which helps protect owners and contractors from any unforeseen accidents to the construction or rehabilitation of the development.
  4. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee for 4% HC. FHFC Credit Underwriting Fees are based on 2017 contractual amounts. FHFC Compliance Fees are the HC compliance fees and are based on a final allocation date of December 31, 2019.
  5. Market Study fees reflect the actual cost of the market study prepared by Integra.
  6. Soft cost contingency is within the 5% as allowed per Rule.
  7. Syndicator fees include fees charged by Boston Financial and their attorney fees for closing.
  8. Misc includes
  9. Basis Eligible R/U/I includes the capitalized costs of real estate taxes, utilities, and insurance. This represents the amount of these expenses that can be included in eligible basis.
  10. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee				\$0	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs				\$0	
Construction Loan Interest	\$173,400	\$1,641,068	\$1,641,068	\$5,161	
Construction Loan Servicing Fees	\$20,000	\$20,000	\$20,000	\$63	
Permanent Loan Application Fee	\$34,000	\$33,200	\$33,220	\$104	\$33,220
Permanent Loan Underwriting Fee	\$40,000	\$40,000	\$40,000	\$126	\$40,000
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee	\$51,000	\$49,800	\$49,830	\$157	\$49,830
Permanent Loan Origination Fee	\$329,800	\$329,800	\$322,234	\$1,013	\$322,234
Permanent Loan Closing Costs				\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Application Bond Fee	\$7,500	\$7,500	\$7,500	\$24	\$7,500
Local HFA Bond Underwriting Fee	\$50,000	\$50,000	\$14,835	\$47	\$14,835
Local HFA Bond Subsidy Layering Rev.				\$0	\$0
Local HFA Bond Origination Fee				\$0	\$0
Local HFA Bond Commitment Fee				\$0	\$0
Local HFA Bond Trustee Fee	\$20,500	\$20,500	\$20,500	\$64	\$20,500
Local HFA Bond Credit Enh. Fee				\$0	\$0
Local HFA Bond Rating Fee	\$10,000	\$10,000	\$10,000	\$31	\$10,000
Local HFA Bond Cost of Issuance	\$170,000	\$170,000	\$170,000	\$535	\$170,000
Local HFA Bond Closing Costs	\$42,500	\$42,500	\$42,500	\$134	\$42,500
Local HFA Bond Interest				\$0	\$0
Local HFA Bond Servicing Fee	\$7,950	\$7,950	\$7,950	\$25	\$7,950
Local HFA Legal - Bond Counsel	\$60,000	\$60,000	\$60,000	\$189	\$60,000
Local HFA Legal - Borrower's Counsel	\$100,000	\$100,000	\$100,000	\$314	\$100,000
Local HFA Legal - Issuer's Counsel	\$116,000	\$116,000	\$116,000	\$365	\$116,000
Local HFA Legal - Lender's Counsel	\$65,000	\$65,000	\$65,000	\$204	\$65,000
Local HFA Legal - U/W's Counsel	\$10,000	\$10,000	\$10,000	\$31	\$10,000
NHTF Subsidy Layering Review				\$0	
NHTF Commitment Fee				\$0	
NHTF Closing Costs				\$0	
NHTF Servicing Fee				\$0	
Legal Fees - Financing Costs	\$15,000	\$15,000	\$15,000	\$47	\$15,000
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee				\$0	
Initial TEFRA Fee	\$5,500	\$5,500	\$5,500	\$17	\$5,500
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other:				\$0	
Other:				\$0	
<b>Total Financial Costs:</b>	<b>\$1,328,150</b>	<b>\$2,793,818</b>	<b>\$2,751,137</b>	<b>\$8,651</b>	<b>\$1,090,069</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$15,255,726</b>	<b>\$16,822,632</b>	<b>\$16,775,372</b>	<b>\$52,753</b>	<b>\$2,031,976</b>

*Notes to the Financial Costs:*

1. Construction Loan Application Fee is based on 0.10% of the funding amount per the JLL commitment letter. Fee was based on a first mortgage of \$33,220,000 as estimated by the Applicant.
2. Construction Loan Origination Fee is based on 0.97% of the funding amount per the JLL commitment letter. Fee was based on a first mortgage of \$33,220,000 as estimated by the Applicant.
3. Permanent Loan Commitment Fee is based on 0.15% of the funding amount per the JLL commitment letter. Fee was based on a first mortgage of \$33,220,000 as estimated by the Applicant.
4. Construction loan Interest is based on the Applicant's estimate based on the construction completion and absorption estimates included in the construction schedule and Market Study.
5. Local HFA Bond financing costs include all Costs of Issuance related to the Tax-Exempt Funding Loan. This includes all issuer fees, financial advisor fees, bond counsel fees, and all other fees.
6. All other financial costs are based on the Applicant's estimate which appears reasonable.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building				\$0	
Building Acquisition Cost	\$27,550,318	\$27,550,318	\$30,938,794	\$97,292	
Developer Fee on Non-Land Acq. Costs			\$5,568,983	\$17,513	
Other:				\$0	
Other:				\$0	
Other:				\$0	
<b>Total Non-Land Acquisition Costs:</b>	<b>\$27,550,318</b>	<b>\$27,550,318</b>	<b>\$36,507,777</b>	<b>\$114,804</b>	<b>\$0</b>

*Notes to the Non-Land Acquisition Costs:*

1. Applicant provided a Special Warranty Deed dated May 31, 2017 reflecting Emerald Palms Apartments Limited Partnership a grantor and Emerald Palms Venture LP as grantee. A Settlement Statement was provided dated May 31, 2017 reflecting a Purchase Price of \$33,437,898.
2. The Developer Fee on Acquisition of Buildings is calculated as 18% of Building Acquisition Costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$7,323,498	\$7,318,789	\$1,749,806	\$5,503	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land				\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
<b>Total Other Development Costs:</b>	<b>\$7,323,498</b>	<b>\$7,318,789</b>	<b>\$1,749,806</b>	<b>\$5,503</b>	<b>\$0</b>

*Notes to the Other Development Costs:*

1. Developer Fee is within 18% of the Development's construction cost, exclusive of land acquisition costs and reserves, as required per Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				\$0	\$0
Land Acquisition Cost	\$6,887,580	\$6,887,580	\$2,499,104	\$7,859	\$2,499,104
Land				\$0	\$0
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
<b>Total Acquisition Costs:</b>	<b>\$6,887,580</b>	<b>\$6,887,580</b>	<b>\$2,499,104</b>	<b>\$7,859</b>	<b>\$2,499,104</b>

*Notes to the Land Acquisition Costs:*

1. As noted in Non-Land Acquisition Costs a settlement statement was provided reflecting a total purchase price of \$33,437,898. The Applicant estimated the land acquisition cost as 20% of the total purchase price. Seltzer has utilized the lesser of the appraised land value, land value per the Broward County Property Appraiser for all parcels associated with the Emerald Palms Apartments development, or the Florida Housing land allocation calculation. The Florida Housing land allocation calculation was the lesser value of the three.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
ACC Reserve (Lender)				\$0	\$0
ACC Reserve (Syndicator)				\$0	\$0
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)	\$394,975	\$402,650	\$901,814	\$2,836	\$901,814
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)	\$521,305	\$499,165		\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Replacement Reserves (FHFC)				\$0	\$0
Replacement Reserves (Lender)				\$0	\$0
Replacement Reserves (Syndicator)				\$0	\$0
Reserves - Start-Up/Lease-up Expenses				\$0	\$0
Reserves - Working Capital	\$75,000	\$75,000	\$75,000	\$236	\$75,000
Other:				\$0	\$0
Other:				\$0	\$0
Other:				\$0	\$0
<b>Total Reserve Accounts:</b>	<b>\$991,280</b>	<b>\$976,815</b>	<b>\$976,814</b>	<b>\$3,072</b>	<b>\$976,814</b>

*Notes to Reserve Accounts:*

1. Per the BFIM LOI, an operating/debt service reserve will be funded from the fifth and sixth Capital Contributions. The reserve shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released). Funds shall be used to fund operating deficits of the

Partnership subject to BFIM's approval. The reserve will be held by the Partnership in a tax-exempt account. The amount of the reserve will be equal to approximately three months operating expenses, reserve payments, and required debt service.

The release of the ODR at the end of the compliance period and distributed as Net Cash Flow does not conform to FHFC ODR release criteria. Prior to loan closing the release criteria of the ODR as stated in the Limited Partnership Agreement will be required to conform to FHFC requirements as found on Page B-2 item #15 of this Report.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$58,008,402</b>	<b>\$59,556,134</b>	<b>\$58,508,873</b>	<b>\$183,990</b>	<b>\$5,507,894</b>

*Notes to the Total Development Costs:* None

## Operating Pro forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$3,851,748	\$12,112
	Rent Subsidy (ODR)	\$0	\$0
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$260,000	\$818
	Washer/Dryer Rentals	\$0	\$0
	Cable/Satellite Income	\$0	\$0
	Rent Concessions	(\$6,168)	(\$19)
	Alarm Income	\$0	\$0
	Gross Potential Income	\$4,105,580	\$12,911
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 3.75%	(\$153,959)	(\$484)
Collection Loss - Percentage: 0.25%	(\$10,264)	(\$32)	
<b>Total Effective Gross Revenue</b>	<b>\$3,941,357</b>	<b>\$12,394</b>	
EXPENSES	Fixed:		
	Ground Lease	\$0	\$0
	Sub-Ground Lease	\$0	\$0
	Real Estate Taxes	\$441,515	\$1,388
	Insurance	\$159,000	\$500
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 2.5%	\$98,534	\$310
	General and Administrative	\$50,880	\$160
	Payroll Expenses	\$368,880	\$1,160
	Utilities	\$241,680	\$760
	Marketing and Advertising	\$9,540	\$30
	Maintenance and Repairs	\$90,609	\$285
	Grounds Maintenance and Landscaping	\$32,399	\$102
	Resident Programs	\$0	\$0
	Contract Services	\$6,178	\$19
	Security	\$0	\$0
	Other-Pest Control	\$5,964	\$19
	Reserve for Replacements	\$116,986	\$368
<b>Total Expenses</b>	<b>\$1,622,165</b>	<b>\$5,101</b>	
<b>Net Operating Income</b>	<b>\$2,319,192</b>	<b>\$7,293</b>	
<b>Debt Service Payments</b>			
DEBT SERVICE	First Mortgage -	\$1,991,594	\$6,263
	Second Mortgage -	\$37,500	\$118
	Third Mortgage -	\$0	\$0
	Fourth Mortgage -	\$0	\$0
	Fifth Mortgage -	\$0	\$0
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees -	\$61,796	\$194
	Second Mortgage Fees -	\$8,320	\$26
	Third Mortgage Fees -	\$0	\$0
	Fourth Mortgage Fees -	\$0	\$0
	Fifth Mortgage Fees -	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
<b>Total Debt Service Payments</b>	<b>\$2,099,210</b>	<b>\$6,601</b>	
<b>Cash Flow After Debt Service</b>	<b>\$219,982</b>	<b>\$692</b>	

Debt Service Coverage Ratios		
DSC - First Mortgage plus Fees		1.129
DSC - Second Mortgage plus Fees		1.105
Financial Ratios		
Operating Expense Ratio		41.2%
Break-Even Ratio		90.7%

*Notes to the Operating Pro forma and Ratios:*

1. The Debt Service Coverage Ratio ("DSCR") for the first and second loans reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48.0072 (11), if the Applicant defers at least 35 percent of its Developer Fee for at least six (6) months following construction completion, the minimum debt service coverage shall be 1.00 for the SAIL, including all superior mortgages. This Development meets the preceding guidelines.
2. The MMRN and SAIL programs do not impose any rent restrictions. However, this Development will be utilizing Housing Credits in conjunction with the 4% HC financing, which will impose rent restrictions. Emerald Palms is projected to achieve 2018 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser's estimate of achievable rents per comparable properties surveyed. The Applicant provided a Broward County Housing Authority utility allowance chart dated July 1, 2017. Trash and common area utilities are paid by the Applicant and the tenants are responsible for electricity, water and sewer.

A rent roll for the Development is illustrated in the following table:

MSA/County: Miami-Fort Lauderdale-West Palm Beach MSA/Broward County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	76	728	60%			\$909	\$74	\$835		\$835	\$835	\$835	\$761,520
2	1.0	28	937	60%			\$1,092	\$90	\$1,002		\$1,002	\$1,002	\$1,002	\$336,672
2	2.0	117	963	60%			\$1,092	\$90	\$1,002		\$1,002	\$1,002	\$1,002	\$1,406,808
3	1.0	36	920	60%			\$1,260	\$103	\$1,157		\$1,157	\$1,157	\$1,157	\$499,824
3	2.0	61	1,266	60%			\$1,260	\$103	\$1,157		\$1,157	\$1,157	\$1,157	\$846,924
		318	304,581											\$3,851,748

3. Miscellaneous income includes vending income, application fees, late fees, and revenue from a central laundry. Rent concessions were estimated by the Appraiser at 0.15% of gross income.
4. The appraiser estimates a stabilized physical vacancy rate of 3.75% and collection loss of 0.25% for an economic occupancy of 96% and a physical occupancy rate of 96.25%.
5. Real estate tax expense is based on the Appraiser's estimate. It was noted by the Appraiser that the subject is eligible to benefit from a State of Florida Real Estate Tax Exemption, which was signed into law on May 25, 2017. This exemption would provide for a 50% discount in ad valorem tax for eligible affordable multifamily properties via a reduction in taxable value, excluding direct assessments. To be conservative Seltzer has utilized the full Real estate tax estimated by the Appraiser.

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6. Insurance expense is based on the Appraiser's estimate and is within the historical and comparable range.
  7. Applicant provided SMG with an executed Property Management Agreement dated May 31, 2017 with AMC as the on-site Property Manager and Leasing Agent for Emerald Palms. The agreement is for an initial one-year period automatically renewed for periods of one month, unless terminated in writing by either party. The Management Agent will receive payment for its services equal to two and a half percent (2.5%) of the effective gross rental income during the prior month payable by the first day of the next succeeding month.
  8. Grounds Maintenance, Contract Services, and Other-Pest Control are based on the Applicant's estimate for these expenses since this is an existing development.
  9. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
  10. Replacement Reserves in the amount of \$367.88 per unit per year is based on the Partner Property Condition Report. This amount is based on the total expenditures in inflated dollars estimated by Partner over a 12 year replacement schedule.
  11. A 15-year income and expense projection reflects increasing debt service coverage ("DSC") through year fifteen. This projection is attached to this report as Exhibit 1.

**Section B**  
**Loan Conditions**

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Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and HFABC at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Receipt and satisfactory review of a fully Executed GC Contract with general conditions and all exhibits not substantially different from those underwritten herein.
2. Receipt and satisfactory resolution of the State Tax Lien noted on the Experian business profile for ZMG Construction, Inc.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and HFABC at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by HFABC, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to HFABC 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 Florida Housing.
3. 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.
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. SAIL Proceeds shall be disbursed pro rata with other funding sources during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
6. The Developer is only allowed to draw a maximum of 50% of the total Developer Fee during construction, but in no case more than the payable developer fee, which is determined to be "developer's overhead". No more than 35% of "Developer's overhead" during construction will be allowed to be disbursed at closing. The remainder of the "Developer's overhead" will be disbursed

during construction on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by HFABC and Servicer. The remaining unpaid Developer Fee shall be considered attributable to "Developer's profit" and may not be funded until the Development has achieved 100% lien free completion, and retainage has been released.

7. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, with coverages, deductibles and amounts satisfactory to HFABC and, as applicable, the FHFC Insurance Guide.
8. 100% Payment and Performance ("P&P") Bonds or a Letter of Credit ("LOC") in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the general contractor and the Borrower. In either case, Florida Housing must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co. with a financial size category of at least FSC VI. HFABC and/or legal counsel must approve the source, amount(s) and all terms of the P&P bonds or LOC. If the LOC option is utilized, the LOC must contain "evergreen" language and be in a form satisfactory to the Servicer, HFABC, and its Legal Counsel.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
10. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to HFABC and its Legal Counsel.
11. At all times there will be undisbursed loan funds (collectively held by HFABC, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with HFABC which is sufficient (in the Authority's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to HFABC in its sole discretion.
12. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
13. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all

terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

This recommendation is contingent upon the review and approval of the following items by HFABC and its legal counsel at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by HFABC, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to HFABC 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 HFABC.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to HFABC, prepared within 90 days of closing, unless otherwise approved by HFABC, 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.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the MMRN naming HFABC as the insured. All endorsements required by HFABC shall be provided.
5. HFABC and its legal counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. HFABC shall be satisfied that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage, as applicable, per the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's legal counsel acceptable to HFABC 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/Operating Agreement and;
  - e. Such other matters as HFABC or its legal counsel may require.

8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by legal counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by HFABC or its legal counsel in form and substance acceptable to HFABC and its legal counsel, in connection with the loan(s).
11. Any other reasonable conditions established by HFABC and its legal counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5087 and 420.509, Florida Statutes, Rule Chapter 67-21, F. A. C., Sections 420.507(22) and 420.5087, Florida Statutes, Rule Chapters 67-48, 67-53, and 67-60, F.A.C., , Section 42 I.R.C., and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRN Loan and First Mortgage Loan in form and substance satisfactory to HFABC and its legal counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. Acceptance by the Borrower and execution of all documents evidencing and securing SAIL in form and substance satisfactory to Florida Housing and its legal counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
4. All amounts necessary to complete construction must be deposited with the Trustee prior to Loan Closing, or any phased HC Equity pay-in of amount necessary to complete construction shall be contingent upon an unconditional obligation, through a Joint Funding Agreement or other mechanism acceptable to HFABC of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at Loan Closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded.
5. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
6. Guarantors are to provide the standard HFABC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.
7. Guarantors for the Tax-Exempt Loan are to provide the standard HFABC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent First Mortgage and SAIL, 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA"). The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.

8. Guarantors are to provide the standard HFABC Environmental Indemnity Guaranty.
9. Guarantors are to provide the standard HFABC Guaranty of Recourse Obligations.
10. A mortgagee title insurance lender's policy naming HFABC as the insured first mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to HFABC and Florida Housing or its legal counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
11. 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 Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
12. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or HFABC's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, in the amount of \$116,986 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$367.88 per unit per year. The initial Replacement Reserve will have limitations on the ability to be drawn. Preservation or Rehabilitation Developments (with or without acquisition) shall not be allowed to draw until the state of the scheduled replacement activities as outlined in the pre-construction Capital Needs Assessment report ("CNA") subject to the activities completed in the scope of rehabilitation, but not sooner than the third year.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10<sup>th</sup> year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15<sup>th</sup> year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.
13. Under the Emerald Palms Apartments construction contract, a minimum of 10% retainage holdback on all construction draws is required throughout construction. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the Authority's minimum requirement.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the MMRN and SAIL.
16. Any other reasonable requirements of the Servicer, HFABC or its legal counsel.

**Section C**

**Supporting Information and Schedules**

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**Additional Development and Third Party Information**

**Appraised Value:** The appraised value is \$72,100,000 as if completed and stabilized, based on market rents and market financing, as reported in the full narrative appraisal dated April 24, 2018, last revised June 12, 2018, with a valuation date of March 12, 2018, performed by Integra Realty Resources – Tampa Bay (“Integra”). Michael Ahwash and John Thigpen, are State Certified General Real Estate Appraisers, Florida License No. RZ 2326 and RZ 2287, respectively. Based on the market value of the property, the loan-to-value ratio (“LTV”) for the first mortgage debt is 46.1%. The LTV for first mortgage and FHFC SAIL is 47.8%.

The appraised value as if completed and stabilized and based on restricted rents and market financing terms is estimated at \$42,200,000. The LTV ratio for the first mortgage debt based on this value is 78.7%. The LTV for first mortgage and FHFC SAIL is 81.7%.

The appraiser estimated the “as-is” market value of the subject development is \$57,400,000, which is greater than the reported purchase price.

**Market Study:** Seltzer also received a separate Market Study on the subject property completed by Integra dated April 30, 2018.

The subject property is located in Broward County in what is considered the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (“MSA”) in the southeastern portion of Florida. Broward County has a total population of 1,942,739 people, 751,833 total households and has an average household size of 2.6 people. Over the past two years the unemployment rate for the region was 3.6% as compared to the national average of 3.9%. The neighborhood boundaries include Interstate 595 to the north; US 441 to the west; Sheridan Street to the South; and SE 5<sup>th</sup> Avenue to the east. Public transportation is provided by Broward County Transit which provides access to most areas of the greater Broward County area with the nearest bus station located one block west of the subject. The region is served by the Ft. Lauderdale/Hollywood International Airport. Affordable housing in Broward County consists of 60 total developments housing 10,165 units. The overall vacancy rate is 2.5% or 256 vacant units. The subject’s capture rate is relatively low, 1.9%, indicating that there is sufficient demand for the subject units.

The Market Study confirms that the property is not located within a Qualified Census Tract (“QCT”) or in a Difficult Development Area (“DDA”) as of the date of the market study.

The Primary Market Area (“PMA”) is the area for which the population forecast will be made. Data was utilized from CoStar and REIS to identify

the existing, under construction, and proposed properties. The purpose of defining the PMA is to focus the demand forecast on the competitive market area and the specific users, or submarket, of the subject development. The PMA was considered to be the area within a five-mile radius of the subject. The subject's PMA, or sub-market, consists of six like-kind existing properties with a total of 1,104 units. All elderly properties were excluded from the PMA. The subject's PMA weighted average occupancy rate is 99.1%. The impact of the subject on existing near-by developments is considered weak in both the short-term and long-term since the subject is an existing development.

The market study noted one Guarantee Fund development located within the PMA, Golden Lakes. There was also a proposed elderly development, Pinnacle at Peacewood, located within the PMA.

Integra notes that the subject will obtain maximum allowable 2018 HC rents. Per FHFC requirements, market rents are to exceed restricted rents by a minimum of 10%. Integra estimates the overall weighted average market rent is 53% greater than estimated average restricted rent.

As indicated, the subject is an existing rental community that will be undergoing renovations. It is Integra's opinion that the subject will not drop below a stabilized occupancy of 96% following renovations. The renovations are scheduled to be completed with tenant's in-place and minimal turnover is expected.

Environmental Report:

Partner Engineering and Science, Inc. ("Partner") performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-13. The ESA indicates an inspection date of March 12, 2018 and a report issue date of March 26, 2018. Partner's assessment revealed no evidence of any Recognized Environmental Conditions ("RECs"), Controlled RECs, Historical RECs, or Vapor Encroachment Conditions ("VEC") in connection with the subject property. Based on the age of the subject, Partner has noted that an Asbestos Containing Materials ("ACM") Operations and Maintenance ("O&M") plan has been implemented as well as a Lead Based Paint ("LBP") O&M was also implemented. Partner states no additional assessment is warranted for the subject property, however the existing ACM and LBP O&M programs and Mold, Moisture Minimization Plan ("MMMP") should continue to be implemented in order to safely manage the suspect ACMs, LBP, and water damage/mold on site.

Soil Test Report:

Existing properties undergoing rehabilitation with no new construction do not typically require soils tests.

Property Condition Report: SMG is in receipt of a Property Condition Report (“PCR”) from Partner, dated March 26, 2018. The PCR was engaged by Freddie Mac and Jones Lang LaSalle Multifamily, LLC.

The PCR was prepared in general conformance with ASTM E2018-15 Standard Guide for Property Condition Assessments and the Freddie Mac Engineering and Property Condition Report requirements. The purpose of this assessment was to observe and document readily-visible materials and building system defects that might significantly affect the value of the property, and determine if conditions exist which may have a significant impact on the continued operating of the facility during the evaluation period.

A site reconnaissance was conducted March 12, 2018 where the property manager and site personnel were interviewed. The subject appears to be in fair condition for its age and usage. This evaluation was based on observation of the building systems and components and the apparent level of maintenance activities which appear to be poor with as-needed or reactive repair and replacement.

Critical Repairs include repairs and replacements that significantly impact habitability, value, income or marketability and that must be corrected before the transaction will proceed. No Critical Repairs were identified at the subject.

Priority – 90 Repairs (“PR-90”) are correct actions that must be completed within 90 days. This includes imminent life safety hazards and on-going substantive damage to the property. No PR-90 repairs were identified at the subject.

Priority Repairs include repairs and replacements that are significant and must be addressed as soon as possible. This includes non-imminent life safety hazards, code violations, material deficiencies and significant deferred maintenance items.

Partner identified the following Priority Repairs:

1. The pavement structure is in fair to poor condition, with some areas displaying potholes and cracking. Cost estimate \$12,000.
2. The roofing systems appear to be in fair to poor overall condition. Management reported numerous roof leaks at the property, including 12 buildings. Cost estimate \$75,000.
3. Several of the units had water damage associated with active roof leaks. 14 units were noted as having moisture damage. Cost estimate \$7,000.

Operational Repairs include repairs and replacements that consist of minor deficiencies and minor deferred maintenance that are expected

to be completed by the Applicant as part of a repairs and maintenance budget and that cannot be reasonably addressed by routine maintenance.

Partner identified the following Operational Repairs:

1. The swimming pool deck was noted to be in fair condition. Cracks were observed at various locations of the pool deck. Sealing of the cracks is recommended.
2. Lack of van accessible parking space at leasing office.

This assessment included a limited, visual, accessibility survey. The survey was limited to determining the existence of architectural barriers or physical attributes which affect on-site parking, path of travel into and through public areas of the buildings, and elevators, as applicable. The survey included only federal requirements of the Americans with Disabilities Act ("ADA") and was not intended to address state or local codes. Only one condition was noted, Lack of van accessible parking space at leasing office, which was included in the operational repairs above.

The Fair Housing Amendments Act of 1988 ("FHAA") requirements cover buildings consisting of four or more dwelling units with first occupancy after March 13, 1991. The subject was first occupied prior to this date, as such, it is not required to comply with the provisions for new construction buildings under the FHAA.

Partner also provided a 12-year replacement reserve analysis in the PCR. Replacement reserve costs are typically defined as predictable and in some instances to be recurring within a specified future period. Based on the 12-year replacement reserve projection prepared by Partner, the property will need to fund reserves in the amount equal to \$1,403,812.77 or \$367.88 per unit per year in inflated dollars (3% per year inflation factor). Seltzer has utilized the \$367.88 estimated by Partner.

**Pre-Construction Analysis:**

**SMG has received a Final Plan and Cost Analysis ("PCA") from On Solid Ground, LLC dated February 19, 2018.**

**The PCA report states that the plans and specifications (civil, architectural, plumbing, mechanical, and electrical) appear to be adequately prepared and provide the information necessary to satisfactorily complete the construction. OSG states that all documents provided have been reviewed for completeness and general compliance with applicable building codes and standard construction practices including ASTM standards.**

The PCA states that the Development has been designed to comply with applicable ADA, FHA, and 504 accessibility laws.

The PCA stated that a review of the construction costs indicates that the applicant's direct costs (total costs less site work and special construction) are within the average cost range per square foot (\$94.26) and within the average cost range per unit (\$93,633) for comparable developments of this type. OSG concluded that the Guaranteed Maximum Price contract amount (\$9,408,450) should be considered adequate for satisfactory completion of the proposed Development. OSG also noted that the hard cost breakdown did not include a contingency amount (typically recommended at 3-5% for new construction projects such as Woodlawn Trail Apartments). It should be noted that the Borrower included a Hard Cost Contingency of \$470,422 or 5% in its overall development budget. This contingency amount is not included in the GMP.

The Construction Contract establishes April 1, 2018 as the Date of Commencement and that substantial completion is to be obtained by May 31, 2019 (approximately 14 months). OSG was provided with a "Task" construction schedule for the development reflecting a start date of April 16, 2018 and completion date of February 16, 2019 (10 months). It is OSG's opinion that a project such as Woodlawn Trail should be completed between 10 to 12 months by an experienced Contractor such as Vaughn Bay Construction Inc. For purposes of its analysis SMG utilized a 12-month construction period.

Scope of Rehabilitation:

As the subject is a rehabilitation of existing buildings, limited architectural building plans and specifications were provided reflecting a scope of work, ADA construction, and a site plan. A schedule of values assigning costs to the scope of work was attached to the construction contract. Recommendations made in the PCR have also been incorporated herein, and collectively, the scope of work for the subject is set forth in the attached Exhibit 3.

Site Inspection:

Gigi Seraphin of Seltzer Management Group, Inc. conducted a site visit April 6, 2018, for the proposed development.

The surrounding area consists of residential homes, businesses and apartment complexes. Eden Inn Assisted Living is located 0.4 miles north of the property. Nova Middle School is 3.7 miles northwest. Conservatory Prep (High School) is located at 4.1 miles north. Baptist Health (Urgent care) is located 3.7 miles south. Griffin Gardens Apartments (Low Income property) is located 1 mile north. Several stores are within 1.1 mile (walking distance) of the property. Public transportation is also within walking distance. The closest major roads

are Griffin Road and State Road 7 (441) located 1.8 mile north of the site.

There does not appear to be any apparent adverse conditions that would negatively affect this development nor impair the property's ability to attract tenants.

DRAFT

**Borrower Information**

Applicant/Borrower Name: Emerald Palms Venture LP

Applicant/Borrower Type: Florida Limited Partnership

Ownership Structure: Emerald Palms Venture LP was registered with the State of Florida on March 7, 2017. A copy of the Limited Partnership Agreement was provided to SMG. The certificate of status was verified with the Secretary of State.

The general partner of the Applicant with a 0.01% ownership interest is Emerald Palms Venture GP, LLC ("EP GP"), a Delaware Limited Liability Company registered with the State of Florida to transact business on March 1, 2017. The certificate of status was verified with the Secretary of State. The members of EP GP are Russell Family Trust with 50% ownership and Stephen Garchik with 50% ownership. The Russell Family Trust provided its Declaration of Trust dated October 1, 2015. The Trustees are Marc Lee Russell, husband, and Sydne Garchik a/k/a Sydne Garchik Russell, wife.

The current 99.99% member of the Applicant is Emerald Palms Bridge LP. Per a May 2, 2018, letter of intent ("LOI"), BFIM or one of its affiliates will purchase a 99.99% membership interest in the subject development concurrent with or prior to closing of the construction/permanent loan.

The Developer of Emerald Palms Apartments is MRK Partners, Inc. ("MRK"), a California Corporation, registered to do business in the State of Florida on December 16, 2015. The certificate of status was verified with the Secretary of State. The founder of MRK is Sydne Garchik.

Contact Information: Sydne Garchik

Telephone: (424) 999-4580

Facsimile: (323) 694-5242

E-mail: [sgarchik@mrkpartners.com](mailto:sgarchik@mrkpartners.com)

Address: 2711 N Sepulveda Blvd, Suite 526  
Manhattan Beach, CA 90266

Federal Employer ID: 82-1150630

Experience: Applicant and EP GP are single purpose entities, created for the purpose of developing, constructing and operating Emerald Palms Apartments. In and of themselves, they have no development experience.

Sydne Garchik is the founder and principal of MRK. Prior to founding MRK, she was responsible for acquisition and asset management of over 3,000 units and renovation of over 2,000 affordable units across the country for Standard Property Company. Prior to Standard Property

Company, Ms. Garchik oversaw 1 million SF of commercial real estate for SJM Partners, Inc. She is the co-founder of Housing on Merit, a California non-profit housing corporation and holds a Bachelor of Science degree in Business Management from the University of Maryland.

Stephen Garchik has been a real estate developer for over 35 years. In that time, he and his partners at The Evans Company of McLean, Virginia and subsequently at SJM Partners, Inc. of Delray Beach, Florida have developed approximately 4 million SF of office space, 2 million SF of residential, 3 million SF of self-storage and 1 million SF of retail space. Mr. Garchik has planned over 10 million SF of mixed use developments. SJM Partner's has ownership in 41 properties primarily in New York, New Jersey, Maryland, Washington DC, Virginia, and Florida. Mr. Garchik and his associates have mixed use properties, a 605 unit high rise on Brickell Avenue in Miami and several residential golf course communities. Mr. Garchik serves on the board of several non-profit institutions and holds a Bachelor of Science and M.B.A. from the Wharton School at the University of Pennsylvania.

## Credit Evaluation:

Applicant and EP GP are single purpose entities, created for the purpose of developing, constructing and operating Emerald Palms Apartments. In and of themselves, they have no credit history or financial capacity.

An Experian Business Profile for MRK dated June 5, 2018 reflected limited credit history and no trade activity. No adverse information was reflected.

A comprehensive credit report for Sydne Garchik dated June 5, 2018 reported satisfactory credit history with no significant adversities.

A comprehensive credit report for Stephen Garchik dated June 5, 2018 reported satisfactory credit history with no significant adversities.

## References:

Bank and business references for MRK Partners, Inc., and Sydne Garchik are satisfactory.

## Financial Statements:

*Sydne Garchik:*

Cash and Equivalents:	\$647,717
Total Assets:	\$67,684,112
Total Liabilities:	\$39,726,199
Equity:	\$27,957,912

Financial data for Ms. Garchik is based upon a Certified Personal Financial Statement dated December 31, 2017. A subsequent letter dated June 13, 2018 was provided by Ms. Garchik confirming there has been no material change in her financial statement. Assets other than cash include investments and retirement assets and real estate

investments. Liabilities include real estate investment loans. SMG was also provided with 2015 and 2016 Form 1040 Federal Tax Returns and 2017 extension request.

*Stephen Garchik:*

Cash and Equivalents:	\$3,216,084
Total Assets:	\$43,013,138
Total Liabilities:	\$2,711,388
Equity:	\$40,301,750

Financial data for Mr. Garchik is based upon a Certified Personal Financial Statement dated January 31, 2018. A subsequent letter dated June 13, 2018 was provided by Mr. Garchik confirming there has been no material change in his financial statement. Assets other than cash include securities, loans receivable, real estate investments, and personal real estate. Liabilities include notes payable. SMG was also provided with the 2015 and 2016 Form 1040 Federal Tax Returns and 2017 extension request.

Contingent Liabilities:

MRK Partners, Inc. reports no contingent liabilities as of April 12, 2018.

Russell Family Trust reports no contingent liabilities as of April 12, 2018.

Sydne Garchik reports no contingent liabilities as of April 6, 2018.

Stephen Garchik reports \$6,877,599 in contingent liabilities related to seven properties as of April 4, 2018.

Summary:

Based upon the information provided, MRK Partners, Inc. and Sydne Garchik and Stephen Garchik, individually and through various corporate and partnership entities, appear to have adequate development experience and financial resources to rehabilitate and operate the subject development.

**Guarantor Information**

Guarantor Name: Emerald Palms Venture LP, Emerald Palms Venture GP, LLC, and Sydne Garchik and Stephen Garchik, individually.

Contact Information: Sydne Garchik  
Telephone: (424) 999-4580  
Facsimile: (323) 694-5242  
E-Mail: [sgarchik@mrkpartners.com](mailto:sgarchik@mrkpartners.com)

Address: 2711 N Sepulveda Blvd  
Manhattan Beach, CA 90266

Nature of the Guarantee: The Guarantors will sign standard HFABC Construction Completion, Environmental Indemnity, Recourse Obligation and Operating Deficit Guarantees. The Construction Completion Guaranty will be released upon 100% lien-free completion as approved by the Loan Servicer.

For the MMRN Loan, Guarantors are to provide the standard HFABC Operating Deficit Guaranty. If requested in writing by Applicant, the Loan Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage ("DSC") Ratio on the MMRN Loan, as determined by the HFABC or its agent and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant ("CPA"). The calculation of the DSC Ratio shall be made by HFABC or the Loan Servicer. Notwithstanding the above, the Operating deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy ("C/O").

Financial Statements: Please refer to the Borrower Information section of this Credit Underwriting Report.

Contingent Liabilities: Please refer to the Borrower Information section of this Credit Underwriting Report.

Summary: Emerald Palms Venture LP and Emerald Palms Venture GP, LLC, through its common principals Sydne Garchik and Stephen Garchik appear to have adequate development experience and financial strength to serve as Guarantors for the Subject Development.

**Syndicator Information**

Syndicator Name: Boston Financial Investment Management, LP (“BFIM”)

Contact Person: Roy Faerber  
Senior Vice President, Equity Production

Telephone: (310) 860-4550  
E-Mail: [roy.ferber@bfim.com](mailto:roy.ferber@bfim.com)

Headquarter Address: 101 Arch Street  
Boston, MA 02110

Experience: Boston Financial has been a leader in real estate investment management for over 45 years. The company began in 1969 as a private partnership established to connect individual investors to affordable housing real estate investments. Over the following 17 years, Boston Financial was able to raise over \$700 million and invested in 62,000 apartments units nationwide. In 1986, after the enactment of the LIHTC program, Boston Financial was able to acquire low-income housing tax credits from developers by investing equity in their developments. Boston Financial was the first firm to introduce a public tax credit fund on Wall Street and the first for-profit to offer an institutional tax credit fund. They have over \$10 billion in equity invested in more than 2,000 properties since 1986. Boston Financial has since established a real estate valuation team, Market Advantage REVAC, and Corporate Intelligence Group, LLC, an in-house investigative group that assists with a variety of fact-finding specialties.

Financial Statements: Boston Financial provided a Financial Status Certification dated June 7, 2018. The certification notes that Boston Financial has been subject to litigation regarding mortgage defaults, foreclosures and/or bankruptcies on a small percentage of properties they have invested in. Boston Financial noted an estimated net worth of \$258,557,790 as of March 31, 2018 and lists no contingent liabilities.

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

**General Contractor Information**

General Contractor Name: ZMG Construction, Inc. ("ZMG")

Type: A Florida Corporation

Contact Persons: Rich Zahn

Telephone: (407) 466-2305

E-mail: [rgzahnsr@prospectcdg.com](mailto:rgzahnsr@prospectcdg.com)

Principal Address: 477 Commerce Way, Suite 115  
Longwood, FL 32750

Experience: ZMG has specialized in the design, construction and restoration of multifamily and master planned developments throughout the United States for more than 24 years. ZMG started as a multifamily construction and restoration contractor and has evolved over the years to include extensive experience that spans Multifamily Community Restoration, Master Planned Developments, Mixed-Use Developments, LEED for Neighborhood Development, Urban Infill, Greenfield and Brownfield. Headquartered in Longwood, Florida, ZMG has other regional operating centers throughout the United States. ZMG provided an AIA Contractor's Qualification Statement signed February 13, 2018 reflecting Work in Progress of \$89,393,486.68 and Work Under Contract of \$43,743,776.26.

Florida Certified General Contractor's license No. CGC1519148 is in the name of Jonas Fredrik Brugge and ZMG. It expires August 31, 2018.

Credit Evaluation: An Experian Business Profile report for ZMG dated June 5, 2018 reflected an acceptable credit history. A moderate amount of slow pay is noted as well as five accounts placed for collection. The public records profile reflects one state tax lien.

References: Bank and business references for ZMG reported satisfactory working relationships and payment history.

Financial Statements: *ZMG Construction, Inc.:*

Cash and Equivalents:	\$3,449,790
Total Assets:	\$38,359,133
Total Liabilities:	\$31,087,958
Equity:	\$7,271,175

Financial data is based upon Audited Financial Statements for the period ending December 31, 2016 and 2015 dated August 28, 2017, prepared by Tidwell Group, LLC. SMG was also provided with ZMG's Form 1120S Federal Tax Returns for years 2015 and 2016 and the 2017 Extension Request.

*ZMG Construction, Inc.:*

Cash and Equivalents:	\$4,302,437
Total Assets:	\$40,584,118
Total Liabilities:	\$30,694,150
Equity:	\$9,889,968

Financial data is based upon Certified Financial Statements dated December 31, 2017.

- Surety: Applicant provided SMG a copy of a April 9, 2018 letter from ProSure Group, Inc. ("ProSure"), Tampa, Florida, representing it has previously, through Allied World Insurance Company ("AWIC"), provided surety bonds on behalf of ZMG. Currently, AWIC is willing to entertain bond requests in the amount of \$100 million aggregate program for ZMG. AWIC is rated A (Excellent), XV (\$2 billion or Greater), by A.M. Best Company.
- Contingent Liabilities: ZMG reports no contingent liabilities per a Statement of Financial/Credit Affairs dated April 5, 2018.
- Summary: SMG recommends that ZMG be approved as the General Contractor for Emerald Palms Apartments, subject to the conditions in Section B hereof, if any.

**Property Manager Information**

Property Manager Name: Apartment Management Consultants, L.L.C. ("AMC")

Type: A Utah Limited Liability Company registered to do business in the State of Florida

Contact Information: Nadine Russell  
(678) 593-8606 Telephone  
[n.russell@amcllc.net](mailto:n.russell@amcllc.net) E-Mail

Address: 1954 Fort Union Blvd  
Salt Lake City, Utah 84121

Experience: AMC was founded in 2000 by Greg Wiseman, Managing Member and President of Operations. Prior to forming AMC, Greg managed multiple portfolios exceeding 5,000 units. AMC was built with the desire to create an environment focused on developing systems that would become a platform of repeatable success unparalleled in the fee management world. AMC is passionately dedicated to fulfilling the needs and exceeding the expectations of the owners and asset managers. AMC's mission is to generate value through maximizing the earning of their client's investment. Their management services meet the specific needs of each individual asset by establishing specific financial goals and accountability with their clients. Today, AMC manages over 68,000 units consisting of over 300 communities throughout the United States.

Management Agreement: Applicant provided SMG with an executed Property Management Agreement between Applicant and AMC dated May 31, 2017. The agreement is for an initial one-year period automatically renewed for periods of one month; unless the Agreement is terminated. The Agreement can be terminated by either Owner or Manager, with or without cause, by giving no less than 30 days advance written notice. The Manager will receive payment for its services equal to two and a half percent (2.5%) of the effective gross income per month.

Management Plan: Applicant provided a Management Plan for the Subject Development that appears satisfactory.

Summary: AMC has demonstrated experience in the successful management of multifamily affordable housing. The Asset Management Department of FHFC has previously approved the selection of the management company, AMC, for Emerald Palms Apartments on March 30, 2017. Continued approval is subject to ongoing satisfactory performance.

**Exhibit 1  
Emerald Palms Apartments  
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
<b>OPERATING PRO FORMA</b>																
INCOME	Gross Potential Rental Income	\$3,851,748	\$3,928,783	\$4,007,359	\$4,087,506	\$4,169,256	\$4,252,641	\$4,337,694	\$4,424,448	\$4,512,937	\$4,603,195	\$4,695,259	\$4,789,165	\$4,884,948	\$4,982,647	\$5,082,300
	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	\$260,000	\$265,200	\$270,504	\$275,914	\$281,432	\$287,061	\$292,802	\$298,658	\$304,631	\$310,724	\$316,939	\$323,277	\$329,743	\$336,338	\$343,064
	Washer/Dryer Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Rent Concessions	(\$6,168)	(\$6,291)	(\$6,417)	(\$6,546)	(\$6,676)	(\$6,810)	(\$6,946)	(\$7,085)	(\$7,227)	(\$7,371)	(\$7,519)	(\$7,669)	(\$7,823)	(\$7,979)	(\$8,139)
	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Potential Income	\$4,105,580	\$4,187,692	\$4,271,445	\$4,356,874	\$4,444,012	\$4,532,892	\$4,623,550	\$4,716,021	\$4,810,341	\$4,906,548	\$5,004,679	\$5,104,773	\$5,206,868	\$5,311,006	\$5,417,226
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 3.8%	(\$153,959)	(\$157,038)	(\$160,179)	(\$163,383)	(\$166,650)	(\$169,983)	(\$173,383)	(\$176,851)	(\$180,388)	(\$183,996)	(\$187,675)	(\$191,429)	(\$195,258)	(\$199,163)	(\$203,146)
	Collection Loss - Percentage: 0.3%	(\$10,264)	(\$10,469)	(\$10,679)	(\$10,892)	(\$11,110)	(\$11,332)	(\$11,559)	(\$11,790)	(\$12,026)	(\$12,266)	(\$12,512)	(\$12,762)	(\$13,017)	(\$13,278)	(\$13,543)
<b>Total Effective Gross Revenue</b>	<b>\$3,941,357</b>	<b>\$4,020,184</b>	<b>\$4,100,588</b>	<b>\$4,182,599</b>	<b>\$4,266,251</b>	<b>\$4,351,576</b>	<b>\$4,438,608</b>	<b>\$4,527,380</b>	<b>\$4,617,928</b>	<b>\$4,710,286</b>	<b>\$4,804,492</b>	<b>\$4,900,582</b>	<b>\$4,998,593</b>	<b>\$5,098,565</b>	<b>\$5,200,537</b>	
EXPENSES	Fixed:															
	Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Real Estate Taxes	\$441,515	\$454,760	\$468,403	\$482,455	\$496,929	\$511,837	\$527,192	\$543,008	\$559,298	\$576,077	\$593,359	\$611,160	\$629,495	\$648,380	\$667,831
	Insurance	\$159,000	\$163,770	\$168,683	\$173,744	\$178,956	\$184,325	\$189,854	\$195,550	\$201,416	\$207,459	\$213,683	\$220,093	\$226,696	\$233,497	\$240,502
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Variable:															
	Management Fee - Percentage: 2.5%	\$98,534	\$100,505	\$102,515	\$104,565	\$106,656	\$108,789	\$110,965	\$113,185	\$115,448	\$117,757	\$120,112	\$122,515	\$124,965	\$127,464	\$130,013
	General and Administrative	\$50,880	\$52,406	\$53,979	\$55,598	\$57,266	\$58,984	\$60,753	\$62,576	\$64,453	\$66,387	\$68,378	\$70,430	\$72,543	\$74,719	\$76,961
	Payroll Expenses	\$368,880	\$379,946	\$391,345	\$403,085	\$415,178	\$427,633	\$440,462	\$453,676	\$467,286	\$481,305	\$495,744	\$510,616	\$525,935	\$541,713	\$557,964
	Utilities	\$241,680	\$248,930	\$256,398	\$264,090	\$272,013	\$280,173	\$288,579	\$297,236	\$306,153	\$315,338	\$324,798	\$334,542	\$344,578	\$354,915	\$365,563
	Marketing and Advertising	\$9,540	\$9,826	\$10,121	\$10,425	\$10,737	\$11,059	\$11,391	\$11,733	\$12,085	\$12,448	\$12,821	\$13,206	\$13,602	\$14,010	\$14,430
	Maintenance and Repairs	\$90,609	\$93,327	\$96,127	\$99,011	\$101,981	\$105,041	\$108,192	\$111,438	\$114,781	\$118,224	\$121,771	\$125,424	\$129,187	\$133,062	\$137,054
	Grounds Maintenance and Landscaping	\$32,399	\$33,371	\$34,372	\$35,403	\$36,465	\$37,559	\$38,686	\$39,847	\$41,042	\$42,273	\$43,542	\$44,848	\$46,193	\$47,579	\$49,006
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services	\$6,178	\$6,363	\$6,554	\$6,751	\$6,953	\$7,162	\$7,377	\$7,598	\$7,826	\$8,061	\$8,303	\$8,552	\$8,808	\$9,073	\$9,345
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other-Pest Control	\$5,964	\$6,143	\$6,327	\$6,517	\$6,713	\$6,914	\$7,121	\$7,335	\$7,555	\$7,782	\$8,015	\$8,256	\$8,503	\$8,758	\$9,021
	Reserve for Replacements	\$116,986	\$116,986	\$116,986	\$116,986	\$116,986	\$116,986	\$116,986	\$116,986	\$116,986	\$116,986	\$120,495	\$120,495	\$120,495	\$120,495	\$120,495
	<b>Total Expenses</b>	<b>\$1,622,165</b>	<b>\$1,666,335</b>	<b>\$1,711,810</b>	<b>\$1,758,630</b>	<b>\$1,806,833</b>	<b>\$1,856,462</b>	<b>\$1,907,559</b>	<b>\$1,960,166</b>	<b>\$2,014,330</b>	<b>\$2,070,096</b>	<b>\$2,131,021</b>	<b>\$2,190,136</b>	<b>\$2,251,000</b>	<b>\$2,313,665</b>	<b>\$2,378,186</b>
<b>Net Operating Income</b>	<b>\$2,319,192</b>	<b>\$2,353,849</b>	<b>\$2,388,777</b>	<b>\$2,423,970</b>	<b>\$2,459,418</b>	<b>\$2,495,114</b>	<b>\$2,531,049</b>	<b>\$2,567,214</b>	<b>\$2,603,598</b>	<b>\$2,640,191</b>	<b>\$2,673,471</b>	<b>\$2,710,446</b>	<b>\$2,747,594</b>	<b>\$2,784,900</b>	<b>\$2,822,351</b>	
<b>Debt Service Payments</b>																
DEBT SERVICE	First Mortgage	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594	\$1,991,594
	Second Mortgage	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500
	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
	First Mortgage Fees	\$61,796	\$61,138	\$60,448	\$59,722	\$58,960	\$58,160	\$57,319	\$56,436	\$55,509	\$54,535	\$53,512	\$52,438	\$51,309	\$50,124	\$48,879
	Second Mortgage Fees	\$8,320	\$8,476	\$8,636	\$8,802	\$8,972	\$9,147	\$9,328	\$9,514	\$9,706	\$9,903	\$10,107	\$10,316	\$10,532	\$10,754	\$10,983
	Third Mortgage Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fourth Mortgage Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Mortgages Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Debt Service Payments</b>	<b>\$2,099,210</b>	<b>\$2,098,708</b>	<b>\$2,098,178</b>	<b>\$2,097,618</b>	<b>\$2,097,026</b>	<b>\$2,096,401</b>	<b>\$2,095,741</b>	<b>\$2,095,044</b>	<b>\$2,094,309</b>	<b>\$2,093,532</b>	<b>\$2,092,712</b>	<b>\$2,091,847</b>	<b>\$2,090,935</b>	<b>\$2,089,971</b>	<b>\$2,088,955</b>	
<b>Cash Flow After Debt Service</b>	<b>\$219,982</b>	<b>\$255,141</b>	<b>\$290,600</b>	<b>\$326,352</b>	<b>\$362,392</b>	<b>\$398,713</b>	<b>\$435,308</b>	<b>\$472,169</b>	<b>\$509,289</b>	<b>\$546,658</b>	<b>\$580,759</b>	<b>\$618,599</b>	<b>\$656,659</b>	<b>\$694,929</b>	<b>\$733,396</b>	
<b>Debt Service Coverage Ratios</b>																
DSC - First Mortgage plus Fees	1.129	1.147	1.164	1.182	1.199	1.217	1.235	1.254	1.272	1.290	1.307	1.326	1.345	1.364	1.383	
DSC - Second Mortgage plus Fees	1.105	1.122	1.139	1.156	1.173	1.190	1.208	1.225	1.243	1.261	1.278	1.296	1.314	1.333	1.351	
DSC - Third Mortgage plus Fees	1.105	1.122	1.139	1.156	1.173	1.190	1.208	1.225	1.243	1.261	1.278	1.296	1.314	1.333	1.351	
DSC - Fourth Mortgage plus Fees	1.105	1.122	1.139	1.156	1.173	1.190	1.208	1.225	1.243	1.261	1.278	1.296	1.314	1.333	1.351	
DSC - Fifth Mortgage plus Fees	1.105	1.122	1.139	1.156	1.173	1.190	1.208	1.225	1.243	1.261	1.278	1.296	1.314	1.333	1.351	
DSC - All Mortgages and Fees	1.105	1.122	1.139	1.156	1.173	1.190	1.208	1.225	1.243	1.261	1.278	1.296	1.314	1.333	1.351	
<b>Financial Ratios</b>																
Operating Expense Ratio	41.2%	41.4%	41.7%	42.0%	42.4%	42.7%	43.0%	43.3%	43.6%	43.9%	44.4%	44.7%	45.0%	45.4%	45.7%	
Break-Even Ratio	90.7%	90.0%	89.3%	88.6%	87.9%	87.3%	86.7%	86.1%	85.5%	85.0%	84.5%	84.0%	83.5%	83.0%	82.6%	

## COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Emerald Palms Apartments

DATE: June 13, 2018

In accordance with applicable Program Rule(s), the Borrower 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 Finance Corporation ("Florida Housing" or "FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower 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 REQUIRED ITEMS:	STATUS	NOTE
	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.	Unsatis	1
2. Final site plan and/or status of site plan approval.	Unsatis.	2
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Unsatis.	3
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, Borrower, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of Borrower, general contractor and management	Satis.	

agent.		
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.	N/A	
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:

1. As of the date of this report Seltzer has not yet received the Development's final "as submitted for permitting" plans and specifications.
2. As of the date of this report Seltzer has not yet received the Final site plan and/or status of site plan approval. Seltzer believes that this document will be included with the final "as submitted for permitting" plans and specifications, therefore this and the above items should be resolved at the same time.
3. A Pre-construction Analysis ("PCA") has not yet been engaged for this development. Currently Seltzer has been provided a working draft construction contract and schedule of values/scope of work. A PCA will be engaged upon receipt of plans and specifications.

Exhibit 3  
Emerald Palms Apartments  
Scope of Rehabilitation

Unit Breakdown

76	1 Bed/1 Bath
28	2 Bed/1 Bath
117	2 Bed/2 Bath
36	3 Bed/1 Bath
61	3 Bed/2 Bath

Area Of Work	Description	Quantity	Unit Cost	Extended Cost
<b>Division 2</b>				
<b>Roads and Walks</b>	Parking lot - repair, resealing/resurfacing and patching of the parking lot (LS Allowance)	1	\$ 150,000.00	\$ 150,000.00
<b>Roads and Walks</b>	Restripe Parking Area including all handicap spaces with appropriate identification (LS)	1	\$ 15,000.00	\$ 15,000.00
<b>Site Improvements</b>	Site accessibility improvements (LS Allowance)	1	\$ 180,000.00	\$ 180,000.00
			<b>Division Total</b>	<b>\$ 345,000.00</b>
<b>Division 3</b>				
<b>Concrete</b>	Remove and replace damaged sidewalks as needed (SF Allowance)	6000	\$ 10.00	\$ 60,000.00
<b>Concrete</b>	Repair damaged curbing on parking lot and property perimeter (LF Allowance)	100	\$ 9.00	\$ 900.00
			<b>Division Total</b>	<b>\$ 60,900.00</b>
<b>Division 4</b>				
<b>Masonry</b>	N/A			\$ -
			<b>Division Total</b>	<b>\$ -</b>
<b>Division 5</b>				
<b>Metals</b>	N/A			\$ -
			<b>Division Total</b>	<b>\$ -</b>
<b>Division 6</b>				
<b>Rough Carpentry</b>	Remove and Replace existing damaged soffit and fascia board using like materials (LS Allowance)	1	\$ 20,000.00	\$ 20,000.00
<b>Rough Carpentry</b>	Framing for UFAS unit conversions	16	\$ 2,080.00	\$ 33,280.00
<b>Finish Carpentry</b>	Replace kitchen cabinets, laminated tops, All Units - Includes back caulking around top of countertops. (Unit)	318	\$ 3,370.00	\$ 1,071,660.00
<b>Finish Carpentry</b>	Install new Driptite kitchen sink base protectors (EA)	318	\$ 69.00	\$ 21,942.00
<b>Finish Carpentry</b>	Replace vanity cabinets, cultured marble tops with integrated sink - Includes back caulking around top of countertop (EA)	496	\$ 580.00	\$ 287,680.00
<b>Finish Carpentry</b>	Install new Driptite vanity sink base protectors (EA)	496	\$ 62.00	\$ 30,752.00
			<b>Division Total</b>	<b>\$ 1,465,314.00</b>
<b>Division 7</b>				
<b>Roofing</b>	Remove and Replace existing shingles with 30 yr architectural shingle - Price includes an allowance of (5) sheets of decking per building (SQ)	2300	\$ 340.00	\$ 782,000.00
<b>Roofing</b>	Install 20 year roof coating system to all flat roof locations. Cost to include cutting back all perimeter materials and replace edge metal for new continuous seal. (SQ)	2200	\$ 410.00	\$ 902,000.00
			<b>Division Total</b>	<b>\$ 1,684,000.00</b>
<b>Division 8</b>				
<b>Doors</b>	Remove and Replace Apartment Interior Doors for UFAS unit conversions (EA)	72	\$ 156.00	\$ 11,232.00
<b>Doors</b>	Install new passage and privacy levers and hinges at all interior pre-hung doors throughout (Unit)	318	\$ 671.00	\$ 213,378.00
<b>Glass</b>	Replace vanity medicine cabinet with new medicine cabinet & vanity mirror (EA)	496	\$ 141.00	\$ 69,936.00
			<b>Division Total</b>	<b>\$ 294,546.00</b>
<b>Division 9</b>				
<b>Lath and Plaster</b>	Stucco crack repairs at buildings (LS Per Bldg Allowance)	64	\$ 1,000.00	\$ 64,000.00
<b>Drywall</b>	Repair minor drywall imperfections & Repaint all kitchen and bath ceilings and walls with low VOC semi gloss paint (Unit)	302	\$ 559.00	\$ 168,818.00
<b>Drywall</b>	Drywall at new partitions for UFAS unit conversions	16	\$ 1,688.00	\$ 27,008.00
<b>LVP Flooring</b>	Install LVP flooring throughout at UFAS unit conversions	16	\$ 3,975.00	\$ 63,600.00

Unit Breakdown

76	1 Bed/1 Bath
28	2 Bed/1 Bath
117	2 Bed/2 Bath
36	3 Bed/1 Bath
61	3 Bed/2 Bath

Area Of Work	Description	Quantity	Unit Cost	Extended Cost
<b>Flooring</b>	Steam clean existing tile in all standard unit locations to include kitchens, baths, hallways, dining rooms, and living rooms	1	\$ 132,000.00	\$ 132,000.00
<b>Painting and Decorating</b>	Paint UFAS units - Interior	16	\$ 965.00	\$ 15,440.00
<b>Painting and Decorating</b>	Exterior - Pressure wash and paint all previously painted building exterior surfaces per specifications (LS)	1	\$ 271,000.00	\$ 271,000.00
<b>Painting and Decorating</b>	Allowance budgeted for community building and amenity enhancements to include paint, flooring, lighting, fixtures, kitchen, pool deck repair, and CCTV (LS Allowance)	1	\$ 25,000.00	\$ 25,000.00

**Division Total \$ 766,866.00**

**Division 10**

<b>Specialties</b>	Fire extinguishers / Cabinets - Provide a fire extinguisher in new fire extinguisher cabinets at the UFAS units (EA)	16	\$ 315.00	\$ 5,040.00
<b>Specialties</b>	Signage - ADA Parking signs (EA - Estimated Allowance)	20	\$ 356.00	\$ 7,120.00
<b>Specialties</b>	Install new playground (LS Allowance)	1	\$ 50,000.00	\$ 50,000.00
<b>Specialties</b>	Install new signage (LS Allowance)	1	\$ 35,000.00	\$ 35,000.00
<b>Specialties</b>	Replace mailboxes - Individual (EA)	63	\$ 55.00	\$ 3,465.00
<b>Specialties</b>	Replace mailboxes - Banks (LS Allowance)	63	\$ 400.00	\$ 25,200.00
<b>Specialties</b>	Landscaping (LS Allowance)	1	\$ 35,000.00	\$ 35,000.00

**Division Total \$ 160,825.00**

**Division 11**

<b>Appliances</b>	Install new stainless steel grease guards at each range (EA)	318	\$ 65.00	\$ 20,670.00
<b>Appliances</b>	Install new garbage disposal (EA)	318	\$ 130.00	\$ 41,340.00
<b>Appliances</b>	Install new GE recirculating vent hood (EA)	318	\$ 125.00	\$ 39,750.00
<b>Appliances</b>	Install new Energy Star dishwasher (EA)	318	\$ 384.00	\$ 122,112.00
<b>Appliances</b>	Provide new GE range (EA)	318	\$ 484.00	\$ 153,912.00
<b>Appliances</b>	Install new 18 CF GE Refrigerators with energy star rating (EA)	318	\$ 689.00	\$ 219,102.00

**Division Total \$ 596,886.00**

**Division 12**

<b>Blinds and Shades, Artwork</b>	N/A			
<b>Carpets</b>	N/A			

**Division Total \$ 0.00**

**Division 13**

<b>Special Construction</b>	Asbestos encapsulation and environmental report (LS Allowance)	1	\$ 5,000.00	\$ 5,000.00
<b>Special Construction</b>	Exterior lead base paint encapsulation and environmental report (LS Allowance)	1	\$ 7,000.00	\$ 7,000.00
<b>Special Construction</b>	Termite treatment per JP Miller estimate dated 1-23-17 (LS)	1	\$ 117,649.00	\$ 117,649.00

**Division Total \$ 129,649.00**

**Division 15**

<b>Plumbing and Hot Water</b>	Replace kitchen sink with stainless steel double bowl sink, basket strainer, & P-trap (EA)	318	\$ 194.00	\$ 61,692.00
<b>Plumbing and Hot Water</b>	Replace kitchen Faucet with New 1.5 GPM Delta Single lever faucet with new angle stops, supply lines (EA)	318	\$ 227.00	\$ 72,186.00
<b>Plumbing and Hot Water</b>	Replace vanity faucet with new 1.2 GPM Delta lever set faucet, angle stops, and supply lines (EA)	496	\$ 188.00	\$ 93,248.00
<b>Plumbing and Hot Water</b>	Install new 1.28 GPF High Efficiency toilet & angle stop (EA)	496	\$ 319.00	\$ 158,224.00
<b>Plumbing and Hot Water</b>	Remove existing shower surrounds, install cement board, new solid surface surround, replace tub valve, tub trim & shower head (EA)	427	\$ 1,610.00	\$ 687,470.00
<b>Plumbing and Hot Water</b>	Clean and caulk previously renovated cultured marble bath tub and shower surrounds	69	\$ 95.00	\$ 6,555.00

Unit Breakdown

76	1 Bed/1 Bath
28	2 Bed/1 Bath
117	2 Bed/2 Bath
36	3 Bed/1 Bath
61	3 Bed/2 Bath

Area Of Work	Description	Quantity	Unit Cost	Extended Cost
<b>Plumbing and Hot Water</b>	Install new bath hardware - (1) Towel bar, (1) Toilet paper holder, (1) Shower rod, & (1) Shower curtain (Bath)	496	\$ 138.00	\$ 68,448.00
<b>Plumbing and Hot Water</b>	Install New 30 gallon Electric Water Heaters in apartment units - Price includes inspection & new drain pan (EA)	318	\$ 684.00	\$ 217,512.00
<b>Plumbing and Hot Water</b>	Install New 30 gallon Electric Water Heaters in laundry rooms and community room - Price includes inspection & new drain pan (EA)	25	\$ 684.00	\$ 17,100.00
<b>Plumbing and Hot Water</b>	Allowance budgeted for the investigation and recommended repairs to sanitary sewer lines (LS Allowance)	1	\$ 100,000.00	\$ 100,000.00
<b>Plumbing and Hot Water</b>	Rough plumbing modifications for UFAS unit conversions (Unit)	16	\$ 3,874.00	\$ 61,984.00
<b>Plumbing and Hot Water</b>	Submeter replacement	33	\$ 571.61	\$ 18,863.13
<b>Plumbing and Hot Water</b>	Submeter repairs	20	\$ 97.43	\$ 1,948.60
<b>Heat and Ventilation</b>	Install New Goodman HVAC systems (14 SEER) clean existing drain and fluid lines, sanitize plenum ductwork and P-Trap, new fiberglass condenser pad where applicable - Using the new R410A (EA)	302	\$ 3,450.00	\$ 1,041,900.00
<b>Heat and Ventilation</b>	Install New Goodman HVAC package systems (14 SEER) clean existing drain and fluid lines, sanitize plenum ductwork and P-Trap - Using the new R410A (EA)	16	\$ 3,650.00	\$ 58,400.00
<b>Heat and Ventilation</b>	Install New Goodman HVAC systems at the community building (14 SEER) clean existing drain and fluid lines, sanitize plenum ductwork and P-Trap, - Using the new R410A (EA)	3	\$ 3,450.00	\$ 10,350.00
<b>Heat and Ventilation</b>	Install New Programmable thermostat in all apartment units (EA)	318	\$ 228.00	\$ 72,504.00
<b>Heat and Ventilation</b>	Install New Programmable thermostat at community building (EA)	3	\$ 228.00	\$ 684.00
<b>Heat and Ventilation</b>	HVAC modifications at UFAS units.	16	\$ 1,250.00	\$ 20,000.00
			<b>Division Total</b>	<b>\$ 2,769,068.73</b>
<b>Division 16</b>				
<b>Electrical</b>	Install new hard wired smoke detector/CO detector in each bedroom & hallway of each apartment (EA)	1074	\$ 171.00	\$ 183,654.00
<b>Electrical</b>	Install new hard wired smoke detector/CO detectors in laundry rooms and community building (EA)	30	\$ 171.00	\$ 5,130.00
<b>Electrical</b>	Install new GFI in Bathroom and Kitchen (EA)	1044	\$ 160.00	\$ 167,040.00
<b>Electrical</b>	Install new LED 3 bulb vanity light fixture in all bathrooms (EA)	496	\$ 198.00	\$ 98,208.00
<b>Electrical</b>	Install new install new ceiling fans w/ LED light kit in all dining rooms of apartment units (EA)	318	\$ 236.00	\$ 75,048.00
<b>Electrical</b>	Install new install new ceiling fans w/ LED light kit in all bedrooms of apartment units (EA)	658	\$ 236.00	\$ 155,288.00
<b>Electrical</b>	Install new 4' LED ceiling mounted light fixtures in kitchen - (1) per kitchen (EA)	318	\$ 158.00	\$ 50,244.00
<b>Electrical</b>	Replace only Stab-Lok breaker panels with new Square D (or equivalent) at units as needed (EA)	40	\$ 1,203.00	\$ 48,120.00
<b>Electrical</b>	Install new Energy Star Exhaust fan in bathrooms where existing - Price includes connection to existing ductwork, electrical, and drywall repairs as needed (EA)	187	\$ 362.00	\$ 67,694.00
<b>Electrical</b>	Install new exterior LED wall sconce entry lights	406	\$ 85.00	\$ 34,510.00
<b>Electrical</b>	Install new exterior LED flood lights	73	\$ 125.00	\$ 9,125.00
<b>Electrical</b>	Install new exterior LED ceiling mounted pathway lights	257	\$ 85.00	\$ 21,845.00
<b>Electrical</b>	Install new exterior LED exit lights	40	\$ 85.00	\$ 3,400.00
<b>Electrical</b>	Electrical work - UFAS units - Relocate switches, light fixtures, electrical outlets and all other electrical wiring per plans. Relocate electrical panel as required. (Unit)	16	\$ 2,493.00	\$ 39,888.00
			<b>Division Total</b>	<b>\$ 959,194.00</b>

Unit Breakdown

76	1 Bed/1 Bath
28	2 Bed/1 Bath
117	2 Bed/2 Bath
36	3 Bed/1 Bath
61	3 Bed/2 Bath

Area Of Work	Description	Quantity	Unit Cost	Extended Cost
	<b>Total Construction Cost, Before Fees</b>			<b>\$9,232,248.73</b>
	Cost Per Unit Based on Hard Costs			
	General Requirements		6%	\$553,934.92
	Overhead		2%	\$184,644.97
	Profit		6%	\$553,934.92
	Bond		2.00%	\$184,644.97
	<b>Grand Total</b>			<b>\$10,709,408.53</b>
	Cost Per Unit	318		\$33,677.39
	Contingency	10%	\$	923,224.87
	<b>Total Hard Costs</b>			<b>\$ 11,632,633.40</b>
	Cost Per Unit	318	\$	36,580.61
	<b>SOFT COSTS</b>			
	<i>Architect</i>			\$ 360,000.00
	<i>Permits</i>			\$ 285,000.00
	<i>Relocation</i>			\$ 91,000.00
	<i>Contingency</i>			\$ 116,366.60
	<b>Total Soft Costs</b>			<b>\$ 852,366.60</b>

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## HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$58,508,873
Less Land Cost	(\$2,499,104)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$3,008,790)
Less Disproportionate Standard	\$0
Acquisition Eligible Basis	\$36,507,777
Rehabilitation Eligible Basis	\$16,493,202
Total Eligible Basis	\$53,000,979
Applicable Fraction	100.00%
DDA/QCT Basis Credit	100.00%
Acquisition HC Percentage	3.44%
Rehabilitation HC Percentage	3.44%
Annual HC on Acquisition	\$1,255,868
Annual HC on Rehabilitation	\$567,366
Annual Housing Credit Allocation	\$1,823,234

### Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include FHFC administrative, application and HC compliance fees, legal fees, Market Study, permanent loan origination and commitment fees, HFABC cost of issuance, closing costs, and required reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is not located in a Difficult to Develop Area or a Qualified Census Tract. Therefore, the 100% basis credit has been applied to the Eligible Basis.
4. A Housing Credit Percentage of 3.44% is used based on a rate of 3.29% as of the June 2018 date of invitation into credit underwriting plus 15 basis points.

<b>Section II: Gap Calculation</b>	
Total Development Cost (Including Land and Ineligible Costs)	\$58,508,873
Less Mortgages	(\$34,470,000)
Less Grants	\$0
Equity Gap	\$24,038,873
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9450
HC Required to Meet Gap	\$25,440,505
Annual HC Required	\$2,544,050

*Notes to the Gap Calculation:*

1. Mortgages include the First Mortgage TEL provided by JLL, FHFC SAIL and GP Loan.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the May 22, 2018 LOI from BFIM.

<b>Section III: Tax-Exempt Bond 50% Test</b>	
Total Depreciable Cost	\$53,000,979
Plus Land Cost	\$2,499,104
Aggregate Basis	\$55,500,083
Tax-Exempt Bond Amount	\$33,220,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$33,220,000
Proceeds Divided by Aggregate Basis	59.86%

*Notes to 50% Test:*

1. SMG estimates the Tax-Exempt MMRN amount to be 59.86% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Loan 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.

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<b>Section IV: Summary</b>	
HC per Qualified Basis	\$1,823,234
HC per Gap Calculation	\$2,544,050
Annual HC Recommended	\$1,823,234

*Notes to the Summary:*

1. The Annual HC Recommended is limited by the Qualified Basis calculation.

DRAFT

## **ATTACHMENT 2**

**RESOLUTION NO. 2018 -017**

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on June 20, 2018, at the offices of the Housing Finance Authority of Broward County, Florida, 110 Northeast Third Street, Suite 201, in the City of Fort Lauderdale, Florida.

Present: \_\_\_\_\_

Absent: \_\_\_\_\_

\* \* \* \* \*

Thereupon, \_\_\_\_\_ introduced the following resolution which was read:

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE “HOUSING FINANCE AUTHORITY”) AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$38,000,000 MULTIFAMILY MORTGAGE REVENUE NOTE, 2018 SERIES A (EMERALD PALMS APARTMENTS) (THE “NOTE”) FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION AND EQUIPPING OF EMERALD PALMS APARTMENTS LOCATED IN BROWARD COUNTY, FLORIDA (THE “PROJECT”); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING INTEREST RATES, INTEREST PAYMENT DATES, MATURITY SCHEDULE AND OTHER TERMS OF SUCH NOTE; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF (I) A FUNDING LOAN AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, JONES LANG LASALLE MULTIFAMILY, LLC, AS INITIAL FUNDING LENDER (THE “FUNDING LENDER”), AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS FISCAL AGENT (THE “FISCAL AGENT”); (II) A PROJECT LOAN AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE FISCAL AGENT AND EMERALD PALMS VENTURE LP (THE “BORROWER”); (III) A LAND USE RESTRICTION AGREEMENT BY AND AMONG THE HOUSING FINANCE AUTHORITY, THE FISCAL AGENT AND THE BORROWER; (IV) AN ASSIGNMENT OF SECURITY INSTRUMENT BY THE HOUSING FINANCE AUTHORITY TO THE FISCAL AGENT; (V) AN ASSIGNMENT OF THE PROJECT NOTE BY THE**

**HOUSING FINANCE AUTHORITY TO THE FISCAL AGENT; (VI) A PLACEMENT AGENT AGREEMENT BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND RBC CAPITAL MARKETS, LLC AND RAYMOND JAMES & ASSOCIATES, INC., AS PLACEMENT AGENTS; AND (VII) A FISCAL AGENT FEE AGREEMENT BY AND BETWEEN THE HOUSING FINANCE AUTHORITY AND THE FISCAL AGENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTE; AUTHORIZING THE HOUSING FINANCE AUTHORITY TO CONSENT TO THE BORROWER PLACING SUBORDINATE FINANCING ON THE PROJECT AND APPROVING THE EXECUTION OF SUCH AGREEMENTS AS MAY BE NECESSARY IN CONNECTION WITH SUCH CONSENT; WAIVING THE FEE FOR SERVICES RELATED TO THE HOUSING FINANCE AUTHORITY'S ANNUAL AUDIT OF THE PROJECT; AUTHORIZING THE PROPER OFFICERS OF THE HOUSING FINANCE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.**

**WHEREAS**, the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority") is empowered under (i) the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the "Act"), and (ii) Ordinance 79-41 enacted by the Board of County Commissioners (the "Board") of Broward County, Florida (the "County") on June 20, 1979 (the "Ordinance"), as amended, to issue multifamily housing revenue bonds; and

**WHEREAS**, the Housing Finance Authority is authorized under the Act to issue its revenue bonds for the purpose of paying the cost of a "qualifying housing development" within the meaning of the Act which includes the acquisition and construction of multifamily housing developments; and

**WHEREAS**, the Housing Finance Authority desires to issue a multifamily housing revenue note in an amount not to exceed \$38,000,000 (the "Note") for the purpose of financing the acquisition,

rehabilitation and equipping of a 318-unit multifamily residential rental housing development in Dania Beach, Broward County, Florida, known as Emerald Palms Apartments (the “Project”); and

**WHEREAS**, Emerald Palms Venture LP, a Florida limited partnership (the “Borrower”), has requested the Housing Finance Authority to issue its Note to provide funds with which Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company, as initial funding lender (the “Funding Lender”), will make a loan to the Housing Finance Authority (the “Funding Loan”), and which proceeds will be used by the Housing Finance Authority to make a loan to the Borrower (the “Project Loan”) to finance the acquisition, rehabilitation and equipping of the Project; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Funding Loan Agreement (the “Funding Loan Agreement”) by and among the Housing Finance Authority, the Funding Lender and The Bank of New York Mellon Trust Company, N.A., a national banking association, as fiscal agent (the “Fiscal Agent”), in substantially the form attached hereto as Exhibit “A”, for the purpose of setting forth the terms, conditions and covenants (i) upon which the Funding Lender will make the Funding Loan to or on the account of the Housing Finance Authority, which proceeds shall be used in order for the Housing Finance Authority to make the Project Loan to Borrower to finance the acquisition, rehabilitation and equipping of the Project, and (ii) that are necessary to secure the Note and protect the rights of the holder of the Note; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Project Loan Agreement, among the Housing Finance Authority, the Fiscal Agent and the Borrower, in substantially the form attached hereto as Exhibit “B”, to evidence the terms and conditions of the Project Loan; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Land Use Restriction Agreement among the Housing Finance Authority, the Borrower and the Fiscal Agent, in substantially the form attached hereto as Exhibit “C”, to evidence the terms and conditions upon which the Borrower shall maintain and operate the Project; and

**WHEREAS**, the Housing Finance Authority desires to enter into an Assignment of Security Instrument made by the Housing Finance Authority to and in favor of the Fiscal Agent, in substantially the form attached hereto as Exhibit “D”, pursuant to which the Housing Finance Authority will assign to the Fiscal Agent its rights in the mortgage securing the Project and various other documents securing the Project Loan; and

**WHEREAS**, the Housing Finance Authority desires to enter into an Assignment (the “Assignment”) of that certain Project Note to be made by the Borrower to and in favor of the Housing Finance Authority (the “Project Note”), in substantially the form attached hereto as Exhibit “E”, pursuant to which the Housing Finance Authority will assign to the Fiscal Agent its rights in the Project Note evidencing the Project Loan; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Placement Agent Agreement between the Housing Finance Authority and RBC Capital Markets, LLC and Raymond James & Associates, Inc., as placement agents (collectively, the “Placement Agents”), in substantially the form attached hereto as Exhibit “F”, to evidence the Placement Agents’ responsibilities and obligations to the Housing Finance Authority in connection with the issuance of the Note; and

**WHEREAS**, the Housing Finance Authority desires to enter into a Fiscal Agent Fee Agreement by and between the Housing Finance Authority and the Fiscal Agent, in substantially the form attached hereto as Exhibit “G”, to evidence the Fiscal Agent’s obligations and responsibilities in connection with the issuance of the Note and the fees payable to Fiscal Agent for its performance thereunder; and

**WHEREAS**, within the County there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, deprives the County of an adequate tax base, and causes the County to make excessive

expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

**WHEREAS**, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

**WHEREAS**, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a “qualified housing development” under the Act; and

**WHEREAS**, the Housing Finance Authority desires to authorize the execution and delivery of any other documents, instruments, certificates and affidavits to be executed in connection with the issuance of the Note; and

**WHEREAS**, the Housing Finance Authority is not obligated to pay the Note except from the proceeds derived from the repayment of the Project Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Funding Loan Agreement. Neither the faith and credit nor the taxing power of the Housing Finance Authority, the County or the State of Florida (the “State”) or any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Note; and

**WHEREAS**, the Housing Finance Authority intends to negotiate the sale of the Note with the Funding Lender as hereinafter provided. Additionally, prior to the sale of the Note, the Funding Lender shall provide to the Fiscal Agent an executed investor letter in the form required by and attached to the Funding Loan Agreement; and

**WHEREAS**, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Note was published in the *Sun Sentinel*, a newspaper of general circulation, on March 20, 2018, at least 14 days prior to the date of such hearing, all as required by

Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

**WHEREAS**, on April 5, 2018, a public hearing concerning the issuance of the Note in an aggregate face amount of not to exceed \$38,000,000 to finance the Project was held by the Housing Finance Authority as required by Section 147(f) of the Code; and

**WHEREAS**, the Housing Finance Authority received from the State of Florida Division of Bond Finance an allocation of 2015 private activity bond volume cap in the amount of \$54,471,490, which has been carried forward pursuant to Section 145(f) of the Code and designated for the issuance of bonds or notes for qualified residential rental projects; and

**WHEREAS**, the Ordinance requires that all contracts of the Housing Finance Authority in connection with the issuance of the Note be approved by the Board.

**NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:**

Section 1. Authorization of the Note. The Housing Finance Authority hereby authorizes, under the authority of the Act and the Ordinance, and subject to the terms as hereinafter set forth, the issuance of the Note to be designated “Housing Finance Authority of Broward County, Florida Multifamily Mortgage Revenue Note, 2018 Series A (Emerald Palms Apartments)” in an aggregate principal amount of not to exceed \$38,000,000.

Section 2. Details of the Note. The Note shall be issued under and secured by the Funding Loan Agreement, by which reference is hereby incorporated into this Resolution as if set forth in full herein. The proceeds of the Note, together with any commitment fees, shall be applied as provided in the Funding Loan Agreement, and the Note shall mature in the years and in the amounts, bear interest at such rates, be subject to redemption and shall have such other characteristics as shall be provided in the Funding Loan Agreement.

Section 3.       The Note is a Special Obligation of the Housing Finance Authority. The Note is a special obligation of the Housing Finance Authority which is payable solely from moneys derived under the Funding Loan Agreement and the Project Loan Agreement. The Note, together with the interest thereon, is a limited obligation of the Housing Finance Authority and neither the Housing Finance Authority, the County, the State, nor any political subdivision thereof, shall be obligated to pay the Note or the interest thereon or other costs or payments incident thereto, except from the aforementioned revenues and receipts and neither the faith and credit nor the taxing power of the County or the State or any political subdivision thereof is pledged to the payment of the Note or the interest thereon or other costs or payments incident thereto. The Housing Finance Authority has no taxing power. The Note and obligations arising thereunder do not create or reflect liability of the Housing Finance Authority or any member, official or employee thereof, except as otherwise described in this Section 3.

Section 4.       Execution of Note. The Chair or Vice Chair and Secretary or Assistant Secretary of the Housing Finance Authority are hereby authorized and directed to execute by manual or facsimile signature, and place the seal of the Housing Finance Authority, in manual or facsimile form, on the Note. The Note shall be in substantially the form set forth in the Funding Loan Agreement, with such changes, modifications and deletions as the officers executing the Note, with the advice of Nabors, Giblin & Nickerson, P.A. (“Note Counsel”) and the County Attorney’s Office of Broward County (the “County Attorney”), may deem necessary and appropriate and as are not inconsistent with the Funding Loan Agreement and this Resolution. The execution and delivery of the Note by the aforementioned persons shall be conclusive evidence of the Housing Finance Authority’s approval and authorization thereof.

Section 5.       Authentication and Delivery of Note. Upon the execution of the Note, the Housing Finance Authority shall deliver the Note to the Fiscal Agent for authentication, and the Fiscal

Agent is hereby authorized and directed to authenticate and deliver said Note to the Funding Lender, subject to the terms for delivery set forth in the Funding Loan Agreement.

Section 6. Approval of Funding Loan Agreement. The form and content of the Funding Loan Agreement by and among the Housing Finance Authority, the Fiscal Agent and the Funding Lender (the “Funding Loan Agreement”), as presented at this meeting and attached hereto as Exhibit “A”, is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Funding Loan Agreement and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “A”, together with such changes, modifications and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 7. Approval of Project Loan Agreement. The form and content of the Project Loan Agreement by and among the Housing Finance Authority, the Fiscal Agent and the Borrower (the “Project Loan Agreement”), as presented at this meeting and attached hereto as Exhibit ”B”, is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Project Loan Agreement and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “B”, together with such changes, modifications and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 8. Approval of the Land Use Restriction Agreement. The form and content of the Land Use Restriction Agreement among the Housing Finance Authority, the Borrower and the Fiscal Agent (the “Land Use Restriction Agreement”), as presented at this meeting and attached hereto as Exhibit “C”, is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Land Use Restriction Agreement and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “C”, together with such changes, modifications and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 9. Approval of Assignment of Security Instrument. The form and content of the Assignment of Security Instrument made by the Housing Finance Authority to and in favor of the Fiscal Agent (the “Assignment of Security Instrument”), as presented at this meeting and attached hereto as Exhibit “D”, is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Assignment of Security Instrument and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “D”, together with such changes, modifications and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 10. Approval of Assignment of Project Note. The form and content of the Assignment by the Housing Finance Authority of the Project Note made by the Housing Finance

Authority to and in favor of the Fiscal Agent (the “Assignment of Project Note”), as presented at this meeting and attached hereto as Exhibit “E”, is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Assignment of Project Note and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “E”, together with such changes, modifications and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 11. Approval of Placement Agent Agreement. The form and content of the Placement Agent Agreement between the Housing Finance Authority and RBC Capital Markets, LLC and Raymond James and Associates, Inc., as placement agents (the “Placement Agent Agreement”), as presented at this meeting and attached hereto as Exhibit “F”, is hereby authorized and approved by the Housing Finance Authority, and the Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Placement Agent Agreement and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority’s seal thereon and attest thereto, in the form presented at this meeting and attached hereto as Exhibit “F”, together with such changes, modifications and deletions as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Housing Finance Authority.

Section 12. Appointment of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed Fiscal Agent under the Funding Loan Agreement, and the Housing Finance Authority approves the form and content of the Fiscal Agent Fee Agreement between the Housing Finance

Authority and the Fiscal Agent (the “Fiscal Agent Fee Agreement”) presented at this meeting and attached hereto as Exhibit “G”. The Chair or Vice Chair of the Housing Finance Authority is hereby authorized to execute and deliver the Fiscal Agent Fee Agreement, and the Secretary or Assistant Secretary is authorized to place the Housing Finance Authority's seal thereon and attest thereto, in substantially the form presented at this meeting and attached hereto as Exhibit “G”, with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Housing Finance Authority.

Section 13. Subordinate Financing. The Housing Finance Authority hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of a loan from the Florida Housing Finance Corporation of State Apartment Incentive Loan (SAIL) Program funds in the approximate principal amount of \$1,250,000 (the “Subordinate Financing”). Given the need for additional affordable rental units in the County, the high development costs associated with the Project and the favorable financing terms of the Subordinate Financing, the Housing Finance Authority hereby determines that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the Housing Finance Authority (i) authorizes the Chair or Vice Chair of the Housing Finance Authority to consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Note Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Fiscal Agent to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Note Counsel and the County Attorney may deem necessary and appropriate.

Section 14. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by

the Borrower for the services of the Housing Finance Authority's auditor to audit the Project and the Note annually. The Housing Finance Authority waives such audit fee in connection with the Project.

Section 15. Sale of Note. It is hereby found and determined that due to the characteristics of the financing and the prevailing and anticipated market conditions, it is in the best interest of the Housing Finance Authority to negotiate the sale of the Note. The negotiated sale of the Note to Jones Lang LaSalle Multifamily, LLC, or its affiliates, at a price of par pursuant to the terms of the Commitment Letter attached hereto as Exhibit "H", is hereby approved. The Chair or Vice Chair and the Secretary or Assistant Secretary are authorized to make any and all changes to the form of the Note which shall be necessary to conform the same to the Commitment Letter. The Chair or Vice Chair and the Secretary or Assistant Secretary are also authorized to permit modifications to the Commitment Letter as they, with the advice of Note Counsel and the County Attorney, may deem necessary and appropriate, provided such modifications are made in accordance with the terms of the summary letter set forth as Page 1 of the Commitment Letter. The purchase of such Note shall constitute a "loan to a lending institution" within the meaning of Section 159.608(5), Florida Statutes. Additionally, the Note shall constitute "Bonds" for purposes of, and as defined under, the Act.

Section 16. Certificated Note. It is in the best interest of the Housing Finance Authority and the Borrower that the Note be issued utilizing a certificated form and not utilizing a book-entry system of registration.

Section 17. Further Actions and Ratification of Prior Actions. The officers, agents and employees of the Housing Finance Authority and the officers, agents and employees of the Fiscal Agent are hereby authorized and directed to do all acts and things required of them by the provisions of the Note, the Funding Loan Agreement, the Project Loan Agreement, the Land Use Restriction Agreement, the Assignment of Security Instrument, the Assignment of Project Note, the Placement Agent Agreement, the Fiscal Agent Fee Agreement (collectively, the "Funding Loan Documents")

and this Resolution and to execute and deliver any and all additional documents necessary or advisable to effectuate the foregoing. All actions heretofore undertaken by the officers, agents and employees of the Housing Finance Authority with respect to the provisions of the Note and the Funding Loan Documents or the issuance of the Note are hereby ratified and approved.

Section 18. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Funding Loan Agreement and the Project Loan Agreement.

Section 19. Resolution Effective. This Resolution shall take effect immediately upon its adoption.

Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was adopted by the following votes:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

STATE OF FLORIDA        )  
  )ss:  
COUNTY OF BROWARD    )

I, DONNA JARRETT-MAYS, Secretary of the Housing Finance Authority of Broward County, Florida, DO HEREBY CERTIFY that the foregoing is an accurate copy of the Resolution of the Housing Finance Authority adopted at a meeting held on June 20, 2018, as set forth in the official minutes of the Housing Finance Authority, related in any way to approval of certain actions to be taken in connection with the proposed issuance of Multifamily Mortgage Revenue Note, 2018 Series A (Emerald Palms Apartments) of the Housing Finance Authority.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this 20th day of June, 2018.

**HOUSING FINANCE AUTHORITY OF  
BROWARD COUNTY, FLORIDA**

By: \_\_\_\_\_  
DONNA JARRETT-MAYS, Secretary

(SEAL)

**Housing Finance Authority of Broward County  
June 20, 2018 – Board Meeting**

**Single Family Private Activity Bond Redemptions – Informational Item**

*Board update regarding the use of HFA funds to optionally redeem in full the HFA's Single-Family Mortgage Revenue Bonds 2006 Series ABC, 2007 Series ABCD and 2007 Series EF and to place all released securities within the HFA's investment account at The Bank of New York Mellon Trust Company, N.A.*

**Background**

1. At its April 18, 2018 meeting the HFA Board:
  - a. authorized the use of an optional redemption to fully redeem its 2006 Series ABC, 2007 Series ABCD and 2007 Series EF Bonds,
  - b. authorized the release all mortgage backed securities ("MBSs") to the HFA's custody account,
  - c. was advised that released MBSs would increase the return on the HFA's investment portfolio,
  - d. was advised that to the extent the Investment Committee wanted to shorten up the portfolio maturities, the MBSs could be sold with proceeds reinvested in securities with a shorter maturity, and
  - e. MBS maturities may be shortened due to mortgage prepayments.

**Present Situation**

1. The payoff amount totaling \$3,756,388.04, was transferred from the HFA's custody account to the Trustee.
2. The Bonds referenced above were fully redeemed on June 1, 2018.
3. MBSs will be released to the HFA's custody account and remaining cash will be distributed to the HFA's operating account.
4. The whole loans will continue to be held and serviced by Citimortgage.
5. A matrix presenting estimated financial results from the redemptions was prepared and is included as Attachment 1. The matrix provides estimates: a) utilizing face value and market value of the MBSs and b) reflecting whole loans as reported by the Trustee and valued at zero.
6. Trustee statements for each series of bonds are attached. (Attachments 2-4)

**Attachments**

1. Single Family Redemption Matrix – Estimated Results as of June 1, 2018
2. 2006 Series ABC Trustee and Revenue Account – Statement Information
3. 2007 Series ABCD Trustee and Revenue Account – Statement Information
4. 2007 Series EF Trustee and Revenue Account – Statement Information

# **ATTACHMENT 1**

**Single Family Redemption - Estimated Results (Subject to Final Reconciliation)**

**As of June 1, 2018**

Description	2006 A&B	2007 A,B&C	2007 E&F	Total
Face Value				
MBS Securities	1,093,423.07	2,512,907.22	626,902.70	4,233,232.99
<b>Whole Loans</b>	147,144.01	303,320.52	-	450,464.53
Total	1,240,567.08	2,816,227.74	626,902.70	4,683,697.52
Less Payoff Amount	(1,394,300.64)	(2,147,149.98)	(214,937.42)	(3,756,388.04)
Net Position Face Value	<b>(153,733.56)</b>	<b>669,077.76</b>	<b>411,965.28</b>	<b>927,309.48</b>
Face Value				
MBS Securities	1,093,423.07	2,512,907.22	626,902.70	4,233,232.99
<b>Whole Loans - Valued at Zero</b>	-	-	-	-
Total	1,093,423.07	2,512,907.22	626,902.70	4,233,232.99
Less Payoff Amount	(1,394,300.64)	(2,147,149.98)	(214,937.42)	(3,756,388.04)
Net Position Face Value	<b>(300,877.57)</b>	<b>365,757.24</b>	<b>411,965.28</b>	<b>476,844.95</b>
Market Value				
MBS Securities	1,151,776.05	2,629,627.40	797,299.39	4,578,702.84
<b>Whole Loans</b>	147,144.01	303,320.52	-	450,464.53
Total	1,298,920.06	2,932,947.92	797,299.39	5,029,167.37
Less Payoff Amount	(1,394,300.64)	(2,147,149.98)	(214,937.42)	(3,756,388.04)
Net Position Face Value	<b>(95,380.58)</b>	<b>785,797.94</b>	<b>582,361.97</b>	<b>1,272,779.33</b>
Market Value				
MBS Securities	1,151,776.05	2,629,627.40	797,299.39	4,578,702.84
<b>Whole Loans - Valued at Zero</b>	-	-	-	-
Total	1,151,776.05	2,629,627.40	797,299.39	4,578,702.84
Less Payoff Amount	(1,394,300.64)	(2,147,149.98)	(214,937.42)	(3,756,388.04)
Net Position Face Value	<b>(242,524.59)</b>	<b>482,477.42</b>	<b>582,361.97</b>	<b>822,314.80</b>

## **ATTACHMENT 2**

**PAYMENT DATE STATEMENT**  
**June 1, 2018**



**BROWARD COUNTY HOUSING FINANCE AUTHORITY**  
**SINGLE FAMILY MORTGAGE REVENUE BONDS**  
**SERIES 2006 ABC**

**GNMA/FREDDIE MAC/FANNIE MAE**  
**OUTSTANDING REPORT**  
**AS OF PAYMENT DATE**

GNMA/FREDDIE MAC/FANNIE MAE			WHOLE LOANS	
<b>Pool #</b>	<b>Type</b>	<b>Amortized Face</b>	<b>*Balance A/O 06/01/18</b>	<b>\$ 147,144.01</b>
672464	GNMA	\$ -		
U30476	FHLMC	\$ 139,525.07		
T30122	FHLMC	\$ 95,872.26		
U32130	FHLMC	\$ -		
U31997	FHLMC	\$ -		
T30067	FHLMC	\$ 22,535.04		
U30540	FHLMC	\$ 251,995.75		
U31951	FHLMC	\$ 61,580.58		
T30158	FHLMC	\$ 305,051.12		
969577	FANNIE MAE	\$ 122,402.34		
938872	FANNIE MAE	\$ 94,460.91		
967394	FANNIE MAE	\$ -		
<b>Total:</b>		<b>\$ 1,093,423.07</b>	<b>WHOLE LOANS</b>	<b>\$ 147,144.01</b>
			<b>MBS</b>	<b>\$ 1,093,423.07</b>
			<b>Total:</b>	<b>\$ 1,240,567.08</b>

\* Whole Loan Balances provided by Citimortgage  
 Report cutoff date 05/10/2018



**BNY MELLON**

The Bank of New York Mellon Trust Company, N.A.

## Account Statement

Statement Period 05/01/2018 Through 05/31/2018

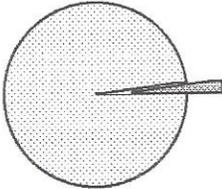
Account 405739  
BROWARD S F 06 REVENUE

**CLIENT SERVICE MANAGER: THOMAS RADICIONI**  
10161 CENTURION PARKWAY  
JACKSONVILLE, FL 32256  
904-645-1985  
THOMAS.RADICIONI@BNYMELLON.COM

Go Paperless. Securely access your account online to view your statements. Ask your BNY Mellon contact how we can help you access your accounts, enter your own transactions or submit an audit confirmation online. Also be sure to ask how Connect(SM), our new web-based, single sign-on platform can help you go paperless.

Visit us at [www.bnymellon.com](http://www.bnymellon.com)

## Account Overview



Percent of all Investments	Asset Classification	Market Value
99%	FIXED INCOME	1,151,776.05
1%	CASH AND SHORT TERM	15,990.74
<b>100%</b>	<b>TOTAL OF ALL INVESTMENTS</b>	<b>1,167,766.79</b>

## Summary of Assets Held

Asset Classification	Market Value	Cost	Accrued Income	Est Annual Income	Market Yield
FIXED INCOME	1,151,776.05	1,098,344.73	4,647.05	55,764.59	4.84%
CASH AND SHORT TERM	15,990.74	15,990.74	0.00	224.36	1.40%
<b>ACCOUNT TOTALS</b>	<b>1,167,766.79</b>	<b>1,114,335.47</b>	<b>4,647.05</b>	<b>55,988.95</b>	<b>4.79%</b>

## Summary of Cash Transactions

Transaction Category	Current Period			Year-to-Date	
	Income	Principal	Realized Gains/Losses	Income	Principal
OPENING BALANCE	0.00	0.00		0.00	0.00
DIVIDENDS	1.08	0.00	0.00	7.76	0.00
INTEREST	4,658.48	0.00	0.00	23,405.58	0.00
SALES AND REDEMPTIONS	0.00	2,690.27	12.12 -	0.00	46,096.17
OTHER CASH ADDITIONS	0.00	13,300.47	0.00	0.00	79,580.93
OTHER CASH DISBURSEMENTS	4,659.56 -	0.00	0.00	23,413.34 -	78,356.92 -
PURCHASES	0.00	15,990.74 -	0.00	0.00	47,320.18 -
<b>CLOSING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>12.12 -</b>	<b>0.00</b>	<b>0.00</b>

The above cash transactions summary is provided for information purposes only and may not reflect actual taxable income or deductible expenses as reportable under the Internal Revenue Code.



BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018  
Account 405739  
BROWARD S F 06 REVENUE

### Statement of Assets Held

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
<b>FIXED INCOME</b>					
22,535.040	FREDDIE MAC GOLD POOL T30067 CUSIP: 31286DCC3 MATURITY DATE: 02/15/2037 RATE: 5.100% ORIG-FACE: 2,208,943.000	106.15300 100.45014	23,921.62 22,636.48	95.77 1,149.29	4.80%
305,051.120	FREDDIE MAC GOLD POOL T30158 CUSIP: 31286DE72 MATURITY DATE: 04/15/2037 RATE: 5.100% ORIG-FACE: 1,449,183.000	106.18200 100.45008	323,909.38 306,424.08	1,296.47 15,557.61	4.80%
95,872.260	FREDDIE MAC GOLD POOL T30122 CUSIP: 31286DD32 MATURITY DATE: 05/15/2037 RATE: 5.100% ORIG-FACE: 1,561,919.000	106.18700 100.45008	101,803.88 96,303.76	407.46 4,889.49	4.80%
139,525.070	FREDDIE MAC GOLD POOL U30476 CUSIP: 31335YQ58 MATURITY DATE: 05/15/2037 RATE: 5.100% ORIG-FACE: 862,230.000	106.16000 100.45016	148,119.81 140,153.15	592.98 7,115.78	4.80%
251,995.750	FREDDIE MAC GOLD POOL U30540 CUSIP: 31335YS56 MATURITY DATE: 05/15/2037 RATE: 5.100% ORIG-FACE: 538,044.000	106.11300 100.45012	267,400.25 253,130.03	1,070.98 12,851.78	4.81%
94,460.910	FANNIE MAE POOL 938872 CUSIP: 31412YQZ8 MATURITY DATE: 05/25/2037 RATE: 5.100% ORIG-FACE: 891,648.000	101.91200 100.45011	96,267.00 94,886.09	401.46 4,817.51	5.00%
122,402.340	FANNIE MAE POOL 969577 CUSIP: 31414LUA4 MATURITY DATE: 12/25/2037 RATE: 5.100% ORIG-FACE: 599,878.000	102.10200 100.45012	124,975.24 122,953.30	520.21 6,242.52	5.00%
61,580.580	FREDDIE MAC GOLD POOL U31951 CUSIP: 31321XEY6 MATURITY DATE: 02/15/2038 RATE: 5.100% ORIG-FACE: 192,442.000	106.16800 100.45024	65,378.87 61,857.84	261.72 3,140.61	4.80%
<b>Total FIXED INCOME</b>			<b>1,151,776.05</b> <b>1,098,344.73</b>	<b>4,647.05</b> <b>55,764.59</b>	<b>4.84%</b>
<b>CASH AND SHORT TERM</b>					
15,990.740	FIDELITY INVESTMENT MM TSY 3 696 CUSIP: X9USD0002	1.00000 1.00000	15,990.74 15,990.74	0.00 224.36	1.40%
<b>Total CASH AND SHORT TERM</b>			<b>15,990.74</b>	<b>0.00</b> <b>224.36</b>	<b>1.40%</b>
<b>ACCOUNT TOTALS</b>			<b>1,167,766.79</b> <b>1,114,335.47</b>	<b>4,647.05</b> <b>55,988.95</b>	<b>4.79%</b>

Total Market Value Plus Total Accrued Income 1,172,413.84

### Statement of Transactions

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/01/18	OPENING BALANCE	0.00	0.00	1,108,536.79	
05/02/18	Dividend FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USD0002 1.080 SHARES	1.08	0.00	0.00	0.00
05/02/18	Cash Credit CW00033986: SWP FRM 4057408401	0.00	0.03	0.00	0.00
05/02/18	Cash Credit	0.00	0.91	0.00	0.00

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018  
Account 405739  
BROWARD S F 06 REVENUE

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/02/18	CW00033984: SWP FRM 4057368401 Cash Credit	0.00	1.08	0.00	0.00
05/02/18	CW00033985: SWP FRM 4057398401 Cash Debit	1.08 -	0.00	0.00	0.00
05/02/18	CW00033985: SWP TO 4057398400 <b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>2.02</b>	<b>1,108,536.79</b>	<b>0.00</b>
05/03/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/03/18 SET/DATE 05/03/18 CUSIP X9USD0002 2.020 SHARES	0.00	2.02 -	2.02	0.00
05/03/18	Deliver INVESTMENT AGREEMENT B/W BAYERISCHE LANDESBANK BNY TRUST DTD 7-24-2006 DUE 9-30-2038 4.76 /IAS/TRF TO 4057528400 2006B PRIN P /IAS/MTS & PPMTS REP: WHOLE LOA /IAS/N 2ND MTG PRINCIPAL RECVD APRI /IAS/L 2018 TRADE DATE 05/03/18 SET/DATE 05/03/18 CUSIP S86744440 100.560 SHARES	0.00	0.00	100.56 -	0.00
05/03/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>1,108,438.25</b>	<b>0.00</b>
05/08/18	Deliver INVESTMENT AGREEMENT B/W BAYERISCHE LANDESBANK BNY TRUST DTD 7-24-2006 DUE 9-30-2038 4.76 /IAS/TRF UNITS TO #405740 REV PREPA /IAS/YMENT A/C REP: SERIES A PREPMN /IAS/TS FOR THE MONTH OF MAR 2018 P /IAS/OSTED IN APR 2018 TRADE DATE 05/08/18 SET/DATE 05/08/18 CUSIP S86744440 0.010 SHARES	0.00	0.00	0.01 -	0.00
05/08/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>1,108,438.24</b>	<b>0.00</b>
05/14/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/14/18 SET/DATE 05/14/18 CUSIP X9USD0002 511.880 SHARES	0.00	511.88 -	511.88	0.00
05/14/18	Cash Credit RCV WIRE FROM CITIMRTG REP: 2006B WHOLE LOAN 2ND MORTGAGE PRIN \$100.48 & INT \$411.40	0.00	511.88	0.00	0.00
05/14/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>1,108,950.12</b>	<b>0.00</b>
05/15/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP X9USD0002 2,164.890 SHARES	0.00	2,164.89 -	2,164.89	0.00
05/15/18	Paydown FREDDIE MAC GOLD POOL T30122 RATE: 5.100% MATURITY: 05/15/37 CUSIP 31286DD32 250.340 SHARES	0.00	250.34	251.47 -	1.13 -
05/15/18	Paydown FREDDIE MAC GOLD POOL T30158 RATE: 5.100% MATURITY: 04/15/37 CUSIP 31286DE72 784.470 SHARES	0.00	784.47	788.00 -	3.53 -
05/15/18	Paydown FREDDIE MAC GOLD POOL U31951 RATE: 5.100% MATURITY: 02/15/38 CUSIP 31321XEY6 142.060 SHARES	0.00	142.06	142.70 -	0.64 -
05/15/18	Paydown	0.00	357.55	359.16 -	1.61 -

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 405739

BROWARD S F 06 REVENUE

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/15/18	FREDDIE MAC GOLD POOL U30476 RATE: 5.100% MATURITY: 05/15/37 CUSIP 31335YQ58 357.550 SHARES Paydown	0.00	630.47	633.31 -	2.84 -
05/15/18	FREDDIE MAC GOLD POOL U30540 RATE: 5.100% MATURITY: 05/15/37 CUSIP 31335YS56 630.470 SHARES Interest	95.77	0.00	0.00	0.00
05/15/18	FREDDIE MAC GOLD POOL T30067 RATE: 5.100% MATURITY: 02/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286DCC3 22,535.040 SHARES Interest	408.52	0.00	0.00	0.00
05/15/18	FREDDIE MAC GOLD POOL T30122 RATE: 5.100% MATURITY: 05/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286DD32 96,122.600 SHARES Interest	1,299.80	0.00	0.00	0.00
05/15/18	FREDDIE MAC GOLD POOL T30158 RATE: 5.100% MATURITY: 04/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286DE72 305,835.590 SHARES Interest	262.32	0.00	0.00	0.00
05/15/18	FREDDIE MAC GOLD POOL U31951 RATE: 5.100% MATURITY: 02/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XEY6 61,722.640 SHARES Interest	594.50	0.00	0.00	0.00
05/15/18	FREDDIE MAC GOLD POOL U30476 RATE: 5.100% MATURITY: 05/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31335YQ58 139,882.620 SHARES Interest	1,073.66	0.00	0.00	0.00
05/15/18	FREDDIE MAC GOLD POOL U30540 RATE: 5.100% MATURITY: 05/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31335YS56 252,626.220 SHARES Cash Credit	0.00	3,734.57	0.00	0.00
05/15/18	CW00033985: SWP FRM 4057398401 Cash Debit	3,734.57 -	0.00	0.00	0.00
05/15/18	CW00033985: SWP TO 4057398400 <b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>3,734.57</b>	<b>1,108,940.37</b>	<b>9.75 -</b>
05/16/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/16/18 SET/DATE 05/16/18 CUSIP X9USD0002 3,734.570 SHARES <b>DAILY ENDING BALANCE</b>	0.00	3,734.57 -	3,734.57	0.00
05/16/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>1,112,674.94</b>	<b>9.75 -</b>
05/25/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP X9USD0002 525.380 SHARES Paydown	0.00	525.38 -	525.38	0.00
05/25/18	FANNIE MAE POOL 938872 RATE: 5.100% MATURITY: 05/25/37 CUSIP 31412YQZ8 239.120 SHARES Paydown	0.00	239.11	240.20 -	1.08 -
05/25/18	FANNIE MAE POOL 969577 Paydown	0.00	286.27	287.56 -	1.29 -

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 405739

BROWARD S F 06 REVENUE

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/25/18	RATE: 5.100% MATURITY: 12/25/37 CUSIP 31414LUA4 286.270 SHARES Interest	402.48	0.00	0.00	0.00
05/25/18	FANNIE MAE POOL 938872 RATE: 5.100% MATURITY: 05/25/37 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31412YQZ8 94,700.030 SHARES Interest	521.43	0.00	0.00	0.00
05/25/18	FANNIE MAE POOL 969577 RATE: 5.100% MATURITY: 12/25/37 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31414LUA4 122,688.610 SHARES Cash Credit	0.00	923.91	0.00	0.00
05/25/18	CW00033985: SWP FRM 4057398401 Cash Debit	923.91 -	0.00	0.00	0.00
05/25/18	CW00033985: SWP TO 4057398400 DAILY ENDING BALANCE	0.00	923.91	1,112,672.56	12.12 -
05/29/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/29/18 SET/DATE 05/29/18 CUSIP X9USD0002 923.910 SHARES	0.00	923.91 -	923.91	0.00
05/29/18	Cash Credit RECEIVED FLOAT INTEREST FROM INVESTMENT AGREEMENT	0.00	739.00	0.00	0.00
05/29/18	DAILY ENDING BALANCE	0.00	739.00	1,113,596.47	12.12 -
05/30/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/30/18 SET/DATE 05/30/18 CUSIP X9USD0002 8,128.090 SHARES	0.00	8,128.09 -	8,128.09	0.00
05/30/18	Deliver INVESTMENT AGREEMENT B/W BAYERISCHE LANDESBANK BNY TRUST DTD 7-24-2006 DUE 9-30-2038 4.76 /IAS/GIC WITHDRAWAL FOR 06/01/2018 /IAS/ FULL CALL TRADE DATE 05/30/18 SET/DATE 05/30/18 CUSIP S86744440 7,389.090 SHARES	0.00	0.00	7,389.09 -	0.00
05/30/18	Cash Credit RECEIVED DRAW DOWN FROM INVESTMENT AGREEMENT	0.00	7,389.09	0.00	0.00
05/30/18	DAILY ENDING BALANCE	0.00	0.00	1,114,335.47	12.12 -
05/31/18	CLOSING BALANCE	0.00	0.00	1,114,335.47	12.12 -

Cumulative realized capital gain and loss position from 12/31/2017 for securities held in principal of account:

Short Term: 0.00 \* Long Term: 59.94-\*

\* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

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**BNY MELLON**

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 405739

BROWARD S F 06 REVENUE

Cash and securities set forth on this Account Statement are held by The Bank of New York Mellon, an affiliate of The Bank of New York Mellon Trust Company, N.A. In addition, The Bank of New York Mellon Trust Company, N.A. may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

The value of securities set forth on this Account Statement are obtained by The Bank of New York Mellon Trust Company, N.A., from its affiliate, The Bank of New York Mellon which determines such values for Corporate Trust on the basis of market prices and information obtained by The Bank of New York Mellon from unaffiliated third parties (including independent pricing vendors) ("third party pricing services"). The Bank of New York Mellon has not verified such market values or information and makes no assurances as to the accuracy or correctness of such market values or information or that the market values set forth on this Account Statement reflect the value of the securities that can be realized upon the sale of such securities. In addition, the market values for the securities set forth in this Account Statement may differ from the market prices and information for the same securities used by other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates based upon market prices and information received from other third party pricing services utilized by such other business units. Corporate Trust does not compare its market values with those used by, or reconcile different market values used by, other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates. Neither The Bank of New York Mellon Trust Company, N.A. nor The Bank of New York Mellon shall be liable for any loss, damage or expense incurred as a result of or arising from or related to the market values or information provided by third party pricing services or the differences in market prices or information provided by other third party pricing services.

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## **ATTACHMENT 3**

**PAYMENT DATE STATEMENT**

**June 1, 2018**



THE BANK OF NEW YORK MELLON

**BROWARD COUNTY HOUSING FINANCE AUTHORITY  
SINGLE FAMILY MORTGAGE REVENUE BONDS  
SERIES 2007 ABCD**

**GNMA/FANNIE MAE OUTSTANDING REPORT  
AS OF PAYMENT DATE**

GINNIE MAE			FANNIE MAE		
Pool #	Type	Amortized Face	Pool #	Type	Amortized Face
483733	GNMA II	\$ -	492179	FANNIE MAE	\$ 100,398.30
504041	GNMA II	\$ -	492178	FANNIE MAE	\$ 41,828.04
524387	GNMA II	\$ 42,243.91	401352	FANNIE MAE	\$ 22,559.91
504132	GNMA II	\$ 36,852.91	401353	FANNIE MAE	\$ -
459393	GNMA II	\$ 54,776.01	401354	FANNIE MAE	\$ -
456069	GNMA II	\$ 11,212.26	444668	FANNIE MAE	\$ 47,387.37
459420	GNMA II	\$ 28,273.62	444665	FANNIE MAE	\$ 89,241.60
477439	GNMA II	\$ 30,443.74	444669	FANNIE MAE	\$ -
468473	GNMA II	\$ -	401355	FANNIE MAE	\$ -
483683	GNMA II	\$ -	492177	FANNIE MAE	\$ -
468506	GNMA II	\$ -	444667	FANNIE MAE	\$ 45,430.26
496039	GNMA II	\$ 47,850.46	969576	FANNIE MAE	\$ -
456089	GNMA II	\$ -	965478	FANNIE MAE	\$ 228,462.43
463188	GNMA II	\$ -	972971	FANNIE MAE	\$ 188,976.00
477378	GNMA II	\$ 62,206.70	967395	FANNIE MAE	\$ -
492255	GNMA II	\$ 43,111.38			
468435	GNMA II	\$ 36,426.74	Total		\$ 764,283.91
495958	GNMA II	\$ -			
492303	GNMA II	\$ -			
495980	GNMA II	\$ 61,217.73			
496087	GNMA II	\$ -			
672467	GNMA II	\$ -			
672504	GNMA II	\$ -			
673121	GNMA II	\$ -			
672576	GNMA II	\$ -			
672977	GNMA II	\$ -			
678237	GNMA II	\$ -			
Total		\$ 454,615.48			
Total :		\$ 2,512,907.22			

FREDDIE MAC		
Pool #	Type	Amortized Face
U32235	FHLMC	\$ 77,042.20
T30156	FHLMC	\$ 124,054.89
U32124	FHLMC	\$ 89,531.75
T30332	FHLMC	\$ 385,143.02
T30240	FHLMC	\$ 233,718.17
U32277	FHLMC	\$ 49,761.97
U31998	FHLMC	\$ -
U32413	FHLMC	\$ 48,077.78
U31941	FHLMC	\$ 286,678.05
Total		\$ 1,294,007.83

WHOLE LOANS	
Balance A/U 06/01/18*	\$ 303,320.52

WHOLE LOANS	\$ 303,320.52
MBS	\$ 2,512,907.22

**Total: \$ 2,816,227.74**

\* Balance provided by CitiMortgage report cutoff as-of 05/10/18



**BNY MELLON**

The Bank of New York Mellon Trust Company, N.A.

## Account Statement

Statement Period 05/01/2018 Through 05/31/2018

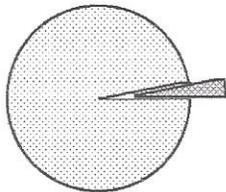
Account 435286  
BROWARD S F 07 REVENUE

**CLIENT SERVICE MANAGER: THOMAS RADICIONI**  
10161 CENTURION PARKWAY  
JACKSONVILLE, FL 32256  
904-645-1985  
THOMAS.RADICIONI@BNYMELLON.COM

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Visit us at [www.bnymellon.com](http://www.bnymellon.com)

## Account Overview



Percent of all Investments	Asset Classification	Market Value
98%	FIXED INCOME	2,629,627.40
2%	CASH AND SHORT TERM	76,011.67
<b>100%</b>	<b>TOTAL OF ALL INVESTMENTS</b>	<b>2,705,639.07</b>

## Summary of Assets Held

Asset Classification	Market Value	Cost	Accrued Income	Est Annual Income	Market Yield
FIXED INCOME	2,629,627.40	2,512,992.66	10,540.14	126,481.48	4.81%
CASH AND SHORT TERM	76,011.67	76,011.67	0.00	1,066.49	1.40%
<b>ACCOUNT TOTALS</b>	<b>2,705,639.07</b>	<b>2,589,004.33</b>	<b>10,540.14</b>	<b>127,547.97</b>	<b>4.71%</b>

## Summary of Cash Transactions

Transaction Category	Current Period			Year-to-Date	
	Income	Principal	Realized Gains/Losses	Income	Principal
<b>OPENING BALANCE</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
DIVIDENDS	5.15	0.00	0.00	103.28	0.00
INTEREST	10,591.28	0.00	0.00	53,482.56	0.00
SALES AND REDEMPTIONS	0.00	11,641.36	5.24 -	0.00	312,321.86
OTHER CASH ADDITIONS	0.00	64,370.31	0.00	8,862.07	239,587.91
OTHER CASH DISBURSEMENTS	10,596.43 -	0.00	0.00	62,447.91 -	382,352.21 -
PURCHASES	0.00	76,011.67 -	0.00	0.00	169,557.56 -
<b>CLOSING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>5.24 -</b>	<b>0.00</b>	<b>0.00</b>

The above cash transactions summary is provided for information purposes only and may not reflect actual taxable income or deductible expenses as reportable under the Internal Revenue Code.

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BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435286

BROWARD S F 07 REVENUE

Statement of Assets Held

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
<b>FIXED INCOME</b>					
11,212.260	GINNIE MAE II POOL 456069 CUSIP: 36208NT29 MATURITY DATE: 08/20/2027 RATE: 6.150% ORIG-FACE: 1,445,936.000	109.84100 101.40159	12,315.66 11,369.41	57.46 689.55	5.60%
22,559.910	FANNIE MAE POOL 401352 CUSIP: 31378KZR8 MATURITY DATE: 09/25/2027 RATE: 6.150% ORIG-FACE: 1,132,632.000	100.27900 102.48224	22,622.85 23,119.90	115.62 1,387.43	6.13%
28,273.620	GINNIE MAE II POOL 459420 CUSIP: 36208SK92 MATURITY DATE: 10/20/2027 RATE: 6.150% ORIG-FACE: 1,117,636.000	110.23300 101.40170	31,166.86 28,669.93	144.90 1,738.83	5.58%
54,776.010	GINNIE MAE II POOL 459393 CUSIP: 36208SKE1 MATURITY DATE: 10/20/2027 RATE: 6.150% ORIG-FACE: 1,772,970.000	110.28200 101.40156	60,408.08 55,543.73	280.73 3,368.72	5.58%
36,426.740	GINNIE MAE II POOL 468435 CUSIP: 36209DLQ5 MATURITY DATE: 01/20/2028 RATE: 6.150% ORIG-FACE: 1,283,856.000	110.28100 101.42862	40,171.77 36,947.14	186.69 2,240.24	5.58%
0.010	GINNIE MAE II POOL 468506 CUSIP: 36209DNX8 MATURITY DATE: 03/20/2028 RATE: 6.150%	100.00000 100.00000	0.01 0.01	0.00 0.00	0.00%
62,206.700	GINNIE MAE II POOL 477378 CUSIP: 36209PJX6 MATURITY DATE: 05/20/2028 RATE: 6.150% ORIG-FACE: 1,329,678.000	110.28500 101.42867	68,604.66 63,095.43	318.81 3,825.71	5.58%
30,443.740	GINNIE MAE II POOL 477439 CUSIP: 36209PLU9 MATURITY DATE: 06/20/2028 RATE: 5.450% ORIG-FACE: 1,497,903.000	105.90100 99.15546	32,240.23 30,186.63	138.27 1,659.18	5.15%
89,241.600	FANNIE MAE POOL 444665 CUSIP: 31380M6A9 MATURITY DATE: 08/25/2028 RATE: 5.450% ORIG-FACE: 1,078,439.000	104.04700 99.48820	92,853.21 88,784.86	405.31 4,863.67	5.24%
43,111.380	GINNIE MAE II POOL 492255 CUSIP: 36210GZU1 MATURITY DATE: 09/20/2028 RATE: 5.450% ORIG-FACE: 1,433,682.000	105.88800 99.15540	45,649.78 42,747.26	195.80 2,349.57	5.15%
45,430.260	FANNIE MAE POOL 444667 CUSIP: 31380M6C5 MATURITY DATE: 10/25/2028 RATE: 5.450% ORIG-FACE: 1,818,827.000	102.55300 99.48809	46,590.09 45,197.70	206.33 2,475.95	5.31%
47,387.370	FANNIE MAE POOL 444668 CUSIP: 31380M6D3 MATURITY DATE: 11/25/2028 RATE: 5.450% ORIG-FACE: 537,538.000	101.22100 99.48875	47,965.97 47,145.10	215.22 2,582.61	5.38%
61,217.730	GINNIE MAE II POOL 495980 CUSIP: 36210L6R9 MATURITY DATE: 11/20/2028 RATE: 5.450% ORIG-FACE: 804,519.000	105.88700 99.15538	64,821.62 60,700.67	278.03 3,336.37	5.15%
47,850.460	GINNIE MAE II POOL 496039 CUSIP: 36210MBG5 MATURITY DATE: 12/20/2028 RATE: 5.450%	105.89400 99.15535	50,670.77 47,446.29	217.32 2,607.85	5.15%

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Statement of Assets Held - Continued

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
36,852.910	ORIG-FACE: 1,030,722.000 GINNIE MAE II POOL 504132 CUSIP: 36210WA90 MATURITY DATE: 03/20/2029 RATE: 5.450%	105.89700 99.09391	39,026.13 36,518.99	167.37 2,008.48	5.15%
41,828.040	ORIG-FACE: 1,760,577.000 FANNIE MAE POOL 492178 CUSIP: 31382TXF1 MATURITY DATE: 11/25/2029 RATE: 5.450%	101.55700 99.42168	42,479.30 41,586.14	189.97 2,279.63	5.37%
100,398.300	ORIG-FACE: 449,073.000 FANNIE MAE POOL 492179 CUSIP: 31382TXG9 MATURITY DATE: 01/25/2030 RATE: 5.450%	103.30900 99.42131	103,720.48 99,817.31	455.98 5,471.71	5.28%
42,243.910	ORIG-FACE: 868,020.000 GINNIE MAE II POOL 524387 CUSIP: 36211VRG7 MATURITY DATE: 01/20/2030 RATE: 5.450%	105.90000 98.97914	44,736.30 41,812.66	191.86 2,302.29	5.15%
124,054.890	ORIG-FACE: 3,028,965.000 FREDDIE MAC GOLD POOL T30156 CUSIP: 31286DE56 MATURITY DATE: 08/15/2037 RATE: 4.750%	105.16200 100.05003	130,458.60 124,116.96	491.05 5,892.61	4.52%
233,718.170	ORIG-FACE: 1,737,506.000 FREDDIE MAC GOLD POOL T30240 CUSIP: 31286DHR5 MATURITY DATE: 09/15/2037 RATE: 4.750%	105.05200 100.05004	245,525.61 233,835.12	925.13 11,101.61	4.52%
385,143.020	ORIG-FACE: 1,866,698.000 FREDDIE MAC GOLD POOL T30332 CUSIP: 31286DLM1 MATURITY DATE: 10/15/2037 RATE: 4.750%	105.15100 100.05002	404,981.74 385,335.68	1,524.52 18,294.29	4.52%
228,462.430	ORIG-FACE: 3,212,396.000 FANNIE MAE POOL 965478 CUSIP: 31414GCP2 MATURITY DATE: 10/25/2037 RATE: 4.750%	101.74200 100.05003	232,442.25 228,576.72	904.33 10,851.97	4.67%
0.010	ORIG-FACE: 2,364,928.000 FANNIE MAE POOL 967395 CUSIP: 31414JGC1 MATURITY DATE: 11/25/2037 RATE: 4.750%	100.00000 100.00000	0.01 0.01	0.00 0.00	0.00%
0.010	FANNIE MAE POOL 969576 CUSIP: 31414LT99 MATURITY DATE: 12/25/2037 RATE: 4.750%	100.00000 100.00000	0.01 0.01	0.00 0.00	0.00%
188,976.000	FANNIE MAE POOL 972971 CUSIP: 31414QMU8 MATURITY DATE: 01/25/2038 RATE: 4.750%	102.16300 100.05010	193,063.55 189,070.67	748.03 8,976.36	4.65%
286,678.050	ORIG-FACE: 400,360.000 FREDDIE MAC GOLD POOL U31941 CUSIP: 31321XEN0 MATURITY DATE: 05/15/2038 RATE: 4.750%	105.19100 100.05010	301,559.51 286,821.69	1,134.77 13,617.21	4.52%
89,531.750	ORIG-FACE: 475,980.000 FREDDIE MAC GOLD POOL U32124 CUSIP: 31321XLD4 MATURITY DATE: 07/15/2038 RATE: 4.750%	104.13600 100.05021	93,234.78 89,576.70	354.40 4,252.76	4.56%
77,042.200	ORIG-FACE: 294,899.000 FREDDIE MAC GOLD POOL U32235 CUSIP: 31321XPU2 MATURITY DATE: 08/15/2038 RATE: 4.750%	104.25400 100.05034	80,319.58 77,080.98	304.96 3,659.50	4.56%
	ORIG-FACE: 299,309.000				

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Statement of Assets Held - Continued

Shares / Par Value	Asset Description	Market Price Average Cost	Market Value Cost	Accrued Income Est Annual Income	Market Yield
49,761.970	FREDDIE MAC GOLD POOL U32277 CUSIP: 31321XQ64 MATURITY DATE: 08/15/2038 RATE: 4.750% ORIG-FACE: 257,504.000	104.14000 100.05034	51,822.12 49,787.02	196.97 2,363.69	4.56%
48,077.780	FREDDIE MAC GOLD POOL U32413 CUSIP: 31321XE1 MATURITY DATE: 10/15/2038 RATE: 4.750% ORIG-FACE: 259,733.000	104.36400 100.05025	50,175.89 48,101.94	190.31 2,283.69	4.55%
<b>Total FIXED INCOME</b>			<b>2,629,627.40</b> <b>2,512,992.66</b>	<b>10,540.14</b> <b>126,481.48</b>	<b>4.81%</b>
<b>CASH AND SHORT TERM</b>					
76,011.670	FIDELITY INVESTMENT MM TSY 3 696 CUSIP: X9USD0002	1.00000 1.00000	76,011.67 76,011.67	0.00 1,066.49	1.40%
<b>Total CASH AND SHORT TERM</b>			<b>76,011.67</b> <b>76,011.67</b>	<b>0.00</b> <b>1,066.49</b>	<b>1.40%</b>

ACCOUNT TOTALS

2,705,639.07  
2,589,004.33  
10,540.14  
127,547.97  
4.71%

Total Market Value Plus Total Accrued Income 2,716,179.21

Statement of Transactions

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/01/18	OPENING BALANCE	0.00	0.00	2,578,816.00	
05/02/18	Dividend FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/02/18 SET/DATE 05/02/18 CUSIP X9USD0002 5.150 SHARES	5.15	0.00	0.00	0.00
05/02/18	Cash Credit CW00034141: SWP FRM 4352868401	0.00	5.15	0.00	0.00
05/02/18	Cash Credit CW00034142: SWP FRM 4352898401	0.00	0.35	0.00	0.00
05/02/18	Cash Credit CW00034140: SWP FRM 4352858401	0.00	2.13	0.00	0.00
05/02/18	Cash Credit CW00034139: SWP FRM 4352848401	0.00	0.27	0.00	0.00
05/02/18	Cash Credit CW00034145: SWP FRM 4352938401	0.00	0.39	0.00	0.00
05/02/18	Cash Credit CW00034143: SWP FRM 4352918401	0.00	0.30	0.00	0.00
05/02/18	Cash Debit CW00034141: SWP TO 4352868400	5.15 -	0.00	0.00	0.00
05/02/18	DAILY ENDING BALANCE	0.00	8.59	2,578,816.00	0.00
05/03/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/03/18 SET/DATE 05/03/18 CUSIP X9USD0002 8.590 SHARES	0.00	8.59 -	8.59	0.00
05/03/18	Deliver CALYON INVESTMENT AGREEMENT DTD 4-12-07 DUE 10-1-2039 4.307 (FLOAT FD)2039-01-10 /IAS/TRF TO 4352938400 2007C PRIN P /IAS/MTS & PPMTS REP: WHOLE LOA /IAS/N 2ND MTG PRINCIPAL RECVD APRI /IAS/L 2018 MATURITY: 01/10/39 TRADE DATE 05/03/18 SET/DATE 05/03/18 CUSIP S86320640 484.870 SHARES	0.00	0.00	484.87 -	0.00
05/03/18	DAILY ENDING BALANCE	0.00	0.00	2,578,339.72	0.00

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Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/08/18	Deliver CALYON INVESTMENT AGREEMENT DTD 4-12-07 DUE 10-1-2039 4.307 (FLOAT FD)2039-01-10 /IAS/TRF UNITS TO #435289 A PREPAYM /IAS/ENTS A/C REP: SERIES A PREPAY /IAS/MENTS FOR THE MONTH OF MAR 201 /IAS/8 RECEIVED IN APR 2018 MATURITY: 01/10/39 TRADE DATE 05/08/18 SET/DATE 05/08/18 CUSIP S86320640 141.610 SHARES	0.00	0.00	141.61 -	0.00
05/08/18	Deliver CALYON INVESTMENT AGREEMENT DTD 4-12-07 DUE 10-1-2039 4.307 (FLOAT FD)2039-01-10 /IAS/TRF UNITS TO #435291 B PREPAYM /IAS/ENTS A/C REP: SERIES B PREPAY /IAS/MENTS FOR THE MONTH OF MAR 2 /IAS/018 RECEIVED IN APR 2018 MATURITY: 01/10/39 TRADE DATE 05/08/18 SET/DATE 05/08/18 CUSIP S86320640 1,274.570 SHARES	0.00	0.00	1,274.57 -	0.00
05/08/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>2,576,923.54</b>	<b>0.00</b>
05/14/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/14/18 SET/DATE 05/14/18 CUSIP X9USD0002 1,494.760 SHARES	0.00	1,494.76 -	1,494.76	0.00
05/14/18	Cash Credit RCV WIRE FROM CITIMRTG REP: 2007C WHOLE LOAN 2ND MORTGAGE PRIN \$647.53 AND INT \$847.23	0.00	1,494.76	0.00	0.00
05/14/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>2,578,418.30</b>	<b>0.00</b>
05/15/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP X9USD0002 3,428.420 SHARES	0.00	3,428.42 -	3,428.42	0.00
05/15/18	Paydown FREDDIE MAC GOLD POOL T30156 RATE: 4.750% MATURITY: 08/15/37 CUSIP 31286DE56 316.810 SHARES	0.00	316.82	316.97 -	0.16 -
05/15/18	Paydown FREDDIE MAC GOLD POOL T30240 RATE: 4.750% MATURITY: 09/15/37 CUSIP 31286DHR5 580.670 SHARES	0.00	580.67	580.96 -	0.29 -
05/15/18	Paydown FREDDIE MAC GOLD POOL T30332 RATE: 4.750% MATURITY: 10/15/37 CUSIP 31286DLM1 1,097.650 SHARES	0.00	1,097.64	1,098.20 -	0.55 -
05/15/18	Paydown FREDDIE MAC GOLD POOL U31941 RATE: 4.750% MATURITY: 05/15/38 CUSIP 31321XEN0 817.220 SHARES	0.00	817.22	817.63 -	0.41 -
05/15/18	Paydown FREDDIE MAC GOLD POOL U32124 RATE: 4.750% MATURITY: 07/15/38 CUSIP 31321XLD4 207.900 SHARES	0.00	207.90	208.00 -	0.10 -
05/15/18	Paydown FREDDIE MAC GOLD POOL U32235 RATE: 4.750% MATURITY: 08/15/38 CUSIP 31321XPU2 183.980 SHARES	0.00	183.98	184.07 -	0.09 -

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Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/15/18	Paydown FREDDIE MAC GOLD POOL U32277 RATE: 4.750% MATURITY: 08/15/38 CUSIP 31321XQ64 114.770 SHARES	0.00	114.77	114.83 -	0.06 -
05/15/18	Paydown FREDDIE MAC GOLD POOL U32413 RATE: 4.750% MATURITY: 10/15/38 CUSIP 31321XVE1 109.420 SHARES	0.00	109.42	109.47 -	0.05 -
05/15/18	Interest FREDDIE MAC GOLD POOL T30156 RATE: 4.750% MATURITY: 08/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286DE56 124,371.700 SHARES	492.30	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL T30240 RATE: 4.750% MATURITY: 09/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286DHR5 234,298.840 SHARES	927.43	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL T30332 RATE: 4.750% MATURITY: 10/15/37 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286DLM1 386,240.670 SHARES	1,528.87	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL U31941 RATE: 4.750% MATURITY: 05/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XEN0 287,495.270 SHARES	1,138.00	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL U32124 RATE: 4.750% MATURITY: 07/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XLD4 89,739.650 SHARES	355.22	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL U32235 RATE: 4.750% MATURITY: 08/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XPU2 77,226.180 SHARES	305.69	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL U32277 RATE: 4.750% MATURITY: 08/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XQ64 49,876.740 SHARES	197.43	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL U32413 RATE: 4.750% MATURITY: 10/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XVE1 48,187.200 SHARES	190.74	0.00	0.00	0.00
05/15/18	Cash Credit CW00034141: SWP FRM 4352868401	0.00	5,135.68	0.00	0.00
05/15/18	Cash Debit CW00034141: SWP TO 4352868400	5,135.68 -	0.00	0.00	0.00
05/15/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>5,135.68</b>	<b>2,578,416.59</b>	<b>1.71 -</b>
05/16/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/16/18 SET/DATE 05/16/18 CUSIP X9USD0002 5,135.680 SHARES	0.00	5,135.68 -	5,135.68	0.00

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Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/16/18	DAILY ENDING BALANCE	0.00	0.00	2,583,552.27	1.71 -
05/21/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/21/18 SET/DATE 05/21/18 CUSIP X9USD0002 3,479.310 SHARES	0.00	3,479.31 -	3,479.31	0.00
05/21/18	Paydown GINNIE MAE II POOL 456069 RATE: 6.150% MATURITY: 08/20/27 CUSIP 36208NT29 423.460 SHARES	0.00	423.46	429.40 -	5.94 -
05/21/18	Paydown GINNIE MAE II POOL 459420 RATE: 6.150% MATURITY: 10/20/27 CUSIP 36208SK92 333.950 SHARES	0.00	333.95	338.63 -	4.68 -
05/21/18	Paydown GINNIE MAE II POOL 459393 RATE: 6.150% MATURITY: 10/20/27 CUSIP 36208SKE1 389.860 SHARES	0.00	389.86	395.32 -	5.46 -
05/21/18	Paydown GINNIE MAE II POOL 468435 RATE: 6.150% MATURITY: 01/20/28 CUSIP 36209DLQ5 263.230 SHARES	0.00	263.23	266.99 -	3.76 -
05/21/18	Paydown GINNIE MAE II POOL 477378 RATE: 6.150% MATURITY: 05/20/28 CUSIP 36209PJX6 444.660 SHARES	0.00	444.66	451.01 -	6.35 -
05/21/18	Paydown GINNIE MAE II POOL 477439 RATE: 5.450% MATURITY: 06/20/28 CUSIP 36209PLU9 179.280 SHARES	0.00	179.28	177.77 -	1.51
05/21/18	Paydown GINNIE MAE II POOL 492255 RATE: 5.450% MATURITY: 09/20/28 CUSIP 36210GZU1 285.700 SHARES	0.00	285.70	283.29 -	2.41
05/21/18	Paydown GINNIE MAE II POOL 495980 RATE: 5.450% MATURITY: 11/20/28 CUSIP 36210L6R9 440.340 SHARES	0.00	440.34	436.62 -	3.72
05/21/18	Paydown GINNIE MAE II POOL 496039 RATE: 5.450% MATURITY: 12/20/28 CUSIP 36210MBG5 268.750 SHARES	0.00	268.74	266.48 -	2.27
05/21/18	Paydown GINNIE MAE II POOL 504132 RATE: 5.450% MATURITY: 03/20/29 CUSIP 36210WA90 217.920 SHARES	0.00	217.92	215.95 -	1.97
05/21/18	Paydown GINNIE MAE II POOL 524387 RATE: 5.450% MATURITY: 01/20/30 CUSIP 36211VRG7 232.170 SHARES	0.00	232.17	229.80 -	2.37
05/21/18	Interest GINNIE MAE II POOL 456069 RATE: 6.150% MATURITY: 08/20/27 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36208NT29 11,635.720 SHARES	59.63	0.00	0.00	0.00
05/21/18	Interest GINNIE MAE II POOL 459420	146.61	0.00	0.00	0.00

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Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/21/18	RATE: 6.150% MATURITY: 10/20/27 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36208SK92 28,607.570 SHARES Interest	282.73	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 459393 RATE: 6.150% MATURITY: 10/20/27 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36208SKE1 55,165.870 SHARES Interest	188.04	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 468435 RATE: 6.150% MATURITY: 01/20/28 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36209DLQ5 36,689.970 SHARES Interest	321.09	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 477378 RATE: 6.150% MATURITY: 05/20/28 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36209PJX6 62,651.360 SHARES Interest	139.08	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 477439 RATE: 5.450% MATURITY: 06/20/28 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36209PLU9 30,623.020 SHARES Interest	197.10	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 492255 RATE: 5.450% MATURITY: 09/20/28 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36210GZU1 43,397.080 SHARES Interest	280.03	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 495980 RATE: 5.450% MATURITY: 11/20/28 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36210L6R9 61,658.070 SHARES Interest	218.54	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 496039 RATE: 5.450% MATURITY: 12/20/28 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36210MBG5 48,119.210 SHARES Interest	168.36	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 504132 RATE: 5.450% MATURITY: 03/20/29 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36210WA90 37,070.830 SHARES Interest	192.91	0.00	0.00	0.00
05/21/18	GINNIE MAE II POOL 524387 RATE: 5.450% MATURITY: 01/20/30 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36211VRG7 42,476.080 SHARES Cash Credit	0.00	2,194.12	0.00	0.00
05/21/18	CW00034141: SWP FRM 4352868401 Cash Debit	2,194.12 -	0.00	0.00	0.00
05/21/18	CW00034141: SWP TO 4352868400 <b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>2,194.12</b>	<b>2,583,540.32</b>	<b>13.65 -</b>
05/22/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/22/18 SET/DATE 05/22/18 CUSIP X9USD0002 2,194.120 SHARES	0.00	2,194.12 -	2,194.12	0.00

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435286

BROWARD S F 07 REVENUE

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/22/18	DAILY ENDING BALANCE	0.00	0.00	2,585,734.44	13.65 -
05/25/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP X9USD0002 4,733.630 SHARES	0.00	4,733.63 -	4,733.63	0.00
05/25/18	Paydown FANNIE MAE POOL 401352 RATE: 6.150% MATURITY: 09/25/27 CUSIP 31378KZR8 241.170 SHARES	0.00	241.17	247.16 -	5.99 -
05/25/18	Paydown FANNIE MAE POOL 444665 RATE: 5.450% MATURITY: 08/25/28 CUSIP 31380M6A9 617.310 SHARES	0.00	617.31	614.15 -	3.16
05/25/18	Paydown FANNIE MAE POOL 444667 RATE: 5.450% MATURITY: 10/25/28 CUSIP 31380M6C5 1,253.950 SHARES	0.00	1,253.95	1,247.53 -	6.42
05/25/18	Paydown FANNIE MAE POOL 444668 RATE: 5.450% MATURITY: 11/25/28 CUSIP 31380M6D3 274.810 SHARES	0.00	274.81	273.40 -	1.41
05/25/18	Paydown FANNIE MAE POOL 492178 RATE: 5.450% MATURITY: 11/25/29 CUSIP 31382TXF1 217.590 SHARES	0.00	217.59	216.33 -	1.26
05/25/18	Paydown FANNIE MAE POOL 492179 RATE: 5.450% MATURITY: 01/25/30 CUSIP 31382TXG9 511.820 SHARES	0.00	511.82	508.86 -	2.96
05/25/18	Paydown FANNIE MAE POOL 965478 RATE: 4.750% MATURITY: 10/25/37 CUSIP 31414GCP2 635.150 SHARES	0.00	635.15	635.47 -	0.32 -
05/25/18	Paydown FANNIE MAE POOL 972971 RATE: 4.750% MATURITY: 01/25/38 CUSIP 31414QMU8 981.830 SHARES	0.00	981.83	982.32 -	0.49 -
05/25/18	Interest FANNIE MAE POOL 401352 RATE: 6.150% MATURITY: 09/25/27 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31378KZR8 22,801.080 SHARES	116.86	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 444665 RATE: 5.450% MATURITY: 08/25/28 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31380M6A9 89,858.910 SHARES	408.11	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 444667 RATE: 5.450% MATURITY: 10/25/28 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31380M6C5 46,684.210 SHARES	212.02	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 444668 RATE: 5.450% MATURITY: 11/25/28 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31380M6D3	216.47	0.00	0.00	0.00

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435286

BROWARD S F 07 REVENUE

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/25/18	47,662.180 SHARES Interest FANNIE MAE POOL 492178 RATE: 5.450% MATURITY: 11/25/29 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31382TXF1 42,045.630 SHARES	190.96	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 492179 RATE: 5.450% MATURITY: 01/25/30 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31382TXG9 100,910.120 SHARES	458.30	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 965478 RATE: 4.750% MATURITY: 10/25/37 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31414GCP2 229,097.580 SHARES	906.84	0.00	0.00	0.00
05/25/18	Interest FANNIE MAE POOL 972971 RATE: 4.750% MATURITY: 01/25/38 TRADE DATE 05/25/18 SET/DATE 05/25/18 CUSIP 31414QMU8 189,957.830 SHARES	751.92	0.00	0.00	0.00
05/25/18	Cash Credit CW00034141: SWP FRM 4352868401	0.00	3,261.48	0.00	0.00
05/25/18	Cash Debit CW00034141: SWP TO 4352868400	3,261.48 -	0.00	0.00	0.00
05/25/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>3,261.48</b>	<b>2,585,742.85</b>	<b>5.24 -</b>
05/29/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/29/18 SET/DATE 05/29/18 CUSIP X9USD0002 3,261.480 SHARES	0.00	3,261.48 -	3,261.48	0.00
05/29/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>2,589,004.33</b>	<b>5.24 -</b>
05/31/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/31/18 SET/DATE 05/31/18 CUSIP X9USD0002 52,275.680 SHARES	0.00	52,275.68 -	52,275.68	0.00
05/31/18	Deliver CALYON INVESTMENT AGREEMENT DTD 4-12-07 DUE 10-1-2039 4.307 (FLOAT FD)2039-01-10 /IAS/GIC WITHDRAWAL FOR 06/01/2018 /IAS/ FULL CALL MATURITY: 01/10/39 TRADE DATE 05/31/18 SET/DATE 05/31/18 CUSIP S86320640 52,275.680 SHARES	0.00	0.00	52,275.68 -	0.00
05/31/18	Cash Credit RECEIVED DRAW DOWN FROM INVESTMENT AGREEMENT	0.00	52,275.68	0.00	0.00
05/31/18	<b>DAILY ENDING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>2,589,004.33</b>	<b>5.24 -</b>
05/31/18	<b>CLOSING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>2,589,004.33</b>	<b>5.24 -</b>

Cumulative realized capital gain and loss position from 12/31/2017 for securities held in principal of account:

Short Term: 0.00 \* Long Term: 59.84\*

\* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

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**BNY MELLON**

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435286

BROWARD S F 07 REVENUE

Cash and securities set forth on this Account Statement are held by The Bank of New York Mellon, an affiliate of The Bank of New York Mellon Trust Company, N.A. In addition, The Bank of New York Mellon Trust Company, N.A. may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

The value of securities set forth on this Account Statement are obtained by The Bank of New York Mellon Trust Company, N.A., from its affiliate, The Bank of New York Mellon which determines such values for Corporate Trust on the basis of market prices and information obtained by The Bank of New York Mellon from unaffiliated third parties (including independent pricing vendors) ("third party pricing services"). The Bank of New York Mellon has not verified such market values or information and makes no assurances as to the accuracy or correctness of such market values or information or that the market values set forth on this Account Statement reflect the value of the securities that can be realized upon the sale of such securities. In addition, the market values for the securities set forth in this Account Statement may differ from the market prices and information for the same securities used by other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates based upon market prices and information received from other third party pricing services utilized by such other business units. Corporate Trust does not compare its market values with those used by, or reconcile different market values used by, other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates. Neither The Bank of New York Mellon Trust Company, N.A. nor The Bank of New York Mellon shall be liable for any loss, damage or expense incurred as a result of or arising from or related to the market values or information provided by third party pricing services or the differences in market prices or information provided by other third party pricing services.

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## **ATTACHMENT 4**

**PAYMENT DATE STATEMENT**

June 1, 2018



THE BANK OF NEW YORK MELLON

**BROWARD COUNTY HOUSING FINANCE AUTHORITY  
SINGLE FAMILY MORTGAGE REVENUE BONDS  
SERIES 2007 E/F**

**GNMA/FANNIE MAE OUTSTANDING REPORT  
AS OF PAYMENT DATE**

**GINNIE MAE**

<u>Pool #</u>	<u>Type</u>	<u>Amortized Face</u>
672505	GNMA II	\$ -
672531	GNMA II	\$ -
678240	GNMA II	\$ -
673122	GNMA II	\$ -
673143	GNMA II	\$ -
673165	GNMA II	\$ -
673170	GNMA II	\$ -
672824	GNMA II	\$ 95,457.38
672844	GNMA II	\$ -
672951	GNMA II	\$ -
672972	GNMA II	\$ -
672978	GNMA II	\$ -
704303	GNMA II	\$ -
<b>Total</b>		<b>\$ 95,457.38</b>

**FREDDIE MAC**

<u>Pool #</u>	<u>Type</u>	<u>Amortized Face</u>
T30453	FREDDIE MAC	\$ 55,722.06
U32305	FREDDIE MAC	\$ 163,676.00
U32069	FREDDIE MAC	\$ 33,550.87
U32359	FREDDIE MAC	\$ -
U32409	FREDDIE MAC	\$ -
U32191	FREDDIE MAC	\$ -
U32172	FREDDIE MAC	\$ -
T31200	FREDDIE MAC	\$ 175,782.58
T31222	FREDDIE MAC	\$ 198,171.18
T31216	FREDDIE MAC	\$ -
<b>Total</b>		<b>\$ 626,902.70</b>

**FANNIE MAE**

<u>Pool #</u>	<u>Type</u>	<u>Amortized Face</u>
AA4060	FANNIE MAE	\$ -
<b>Total</b>		<b>\$ -</b>
<b>Total :</b>		<b>\$ 722,360.08</b>



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The Bank of New York Mellon Trust Company, N.A.

## Account Statement

Statement Period 05/01/2018 Through 05/31/2018

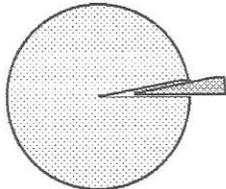
Account 435685  
BROWARD 07 E REVENUE

**CLIENT SERVICE MANAGER: THOMAS RADICIONI**  
10161 CENTURION PARKWAY  
JACKSONVILLE, FL 32256  
904-645-1985  
THOMAS.RADICIONI@BNYMELLON.COM

Go Paperless. Securely access your account online to view your statements. Ask your BNY Mellon contact how we can help you access your accounts, enter your own transactions or submit an audit confirmation online. Also be sure to ask how Connect(SM), our new web-based, single sign-on platform can help you go paperless.

Visit us at [www.bnymellon.com](http://www.bnymellon.com)

## Account Overview



Percent of all Investments	Asset Classification	Market Value
97%	FIXED INCOME	797,299.39
3%	CASH AND SHORT TERM	26,474.65
<b>100%</b>	<b>TOTAL OF ALL INVESTMENTS</b>	<b>823,774.04</b>

## Summary of Assets Held

Asset Classification	Market Value	Cost	Accrued Income	Est Annual Income	Market Yield
FIXED INCOME	797,299.39	750,076.45	3,671.99	44,063.97	5.53%
CASH AND SHORT TERM	26,474.65	26,474.65	0.00	371.46	1.40%
<b>ACCOUNT TOTALS</b>	<b>823,774.04</b>	<b>776,551.10</b>	<b>3,671.99</b>	<b>44,435.43</b>	<b>5.39%</b>

## Summary of Cash Transactions

Transaction Category	Current Period			Year-to-Date	
	Income	Principal	Realized Gains/Losses	Income	Principal
<b>OPENING BALANCE</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
DIVIDENDS	3.13	0.00	0.00	8.70	0.00
INTEREST	3,682.82	0.00	0.00	18,497.25	0.00
SALES AND REDEMPTIONS	0.00	2,129.92	81.80 -	0.00	30,194.18
OTHER CASH ADDITIONS	0.00	24,344.73	0.00	0.00	81,212.12
OTHER CASH DISBURSEMENTS	3,685.95 -	0.00	0.00	18,505.95 -	64,077.77 -
PURCHASES	0.00	26,474.65 -	0.00	0.00	47,328.53 -
<b>CLOSING BALANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>81.80 -</b>	<b>0.00</b>	<b>0.00</b>

The above cash transactions summary is provided for information purposes only and may not reflect actual taxable income or deductible expenses as reportable under the Internal Revenue Code.

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435685

BROWARD 07 E REVENUE

Statement of Assets Held

Table with columns: Shares / Par Value, Asset Description, Market Price Average Cost, Market Value Cost, Accrued Income Est Annual Income, Market Yield. Includes sections for FIXED INCOME, CASH AND SHORT TERM, and ACCOUNT TOTALS.

Total Market Value Plus Total Accrued Income 827,446.03

Statement of Transactions

Table with columns: Transaction Date, Transaction Description, Income, Principal, Cost, Realized Gains/Losses. Lists transactions from 05/01/18 to 05/03/18.

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The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435685

BROWARD 07 E REVENUE

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/03/18	DAILY ENDING BALANCE	0.00	0.00	772,950.09	0.00
05/15/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP X9USD0002 1,927.990 SHARES	0.00	1,927.99 -	1,927.99	0.00
05/15/18	Paydown FREDDIE MAC GOLD POOL T30453 RATE: 6.100% MATURITY: 01/15/38 CUSIP 31286DQE4 115.970 SHARES	0.00	115.97	120.43 -	4.46 -
05/15/18	Paydown FREDDIE MAC GOLD POOL T31200 RATE: 6.100% MATURITY: 03/15/38 CUSIP 31286EKM0 364.330 SHARES	0.00	364.33	378.36 -	14.03 -
05/15/18	Paydown FREDDIE MAC GOLD POOL T31222 RATE: 6.100% MATURITY: 05/15/38 CUSIP 31286ELB3 1,159.370 SHARES	0.00	1,159.36	1,204.01 -	44.64 -
05/15/18	Paydown FREDDIE MAC GOLD POOL U32069 RATE: 6.100% MATURITY: 06/15/38 CUSIP 31321XJN5 66.740 SHARES	0.00	66.74	69.31 -	2.57 -
05/15/18	Paydown FREDDIE MAC GOLD POOL U32305 RATE: 6.100% MATURITY: 09/15/38 CUSIP 31321XR22 221.590 SHARES	0.00	221.59	230.12 -	8.53 -
05/15/18	Interest FREDDIE MAC GOLD POOL T30453 RATE: 6.100% MATURITY: 01/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286DQE4 55,838.030 SHARES	283.84	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL T31200 RATE: 6.100% MATURITY: 03/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286EKM0 176,146.910 SHARES	895.41	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL T31222 RATE: 6.100% MATURITY: 05/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31286ELB3 199,330.550 SHARES	1,013.26	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL U32069 RATE: 6.100% MATURITY: 06/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XJN5 33,617.610 SHARES	170.89	0.00	0.00	0.00
05/15/18	Interest FREDDIE MAC GOLD POOL U32305 RATE: 6.100% MATURITY: 09/15/38 TRADE DATE 05/15/18 SET/DATE 05/15/18 CUSIP 31321XR22 163,897.590 SHARES	833.15	0.00	0.00	0.00
05/15/18	Cash Credit CW00034160: SWP FRM 4356858401	0.00	3,196.55	0.00	0.00
05/15/18	Cash Debit CW00034160: SWP TO 4356858400	3,196.55 -	0.00	0.00	0.00
05/15/18	DAILY ENDING BALANCE	0.00	3,196.55	772,875.85	74.23 -
05/16/18	Purchase FIDELITY INVESTMENT MM TSY 3 696	0.00	3,196.55 -	3,196.55	0.00

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BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435685

BROWARD 07 E REVENUE

Statement of Transactions - Continued

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
	TRADE DATE 05/16/18 SET/DATE 05/16/18 CUSIP X9USD0002 3,196.550 SHARES				
05/16/18	DAILY ENDING BALANCE	0.00	0.00	776,072.40	74.23 -
05/21/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/21/18 SET/DATE 05/21/18 CUSIP X9USD0002 201.930 SHARES	0.00	201.93 -	201.93	0.00
05/21/18	Paydown GINNIE MAE II POOL 672824 RATE: 6.100% MATURITY: 05/20/38 CUSIP 36295KPH0 201.930 SHARES	0.00	201.93	209.50 -	7.57 -
05/21/18	Interest GINNIE MAE II POOL 672824 RATE: 6.100% MATURITY: 05/20/38 TRADE DATE 05/20/18 SET/DATE 05/20/18 CUSIP 36295KPH0 95,659.310 SHARES	486.27	0.00	0.00	0.00
05/21/18	Cash Credit CW00034160: SWP FRM 4356858401	0.00	486.27	0.00	0.00
05/21/18	Cash Debit CW00034160: SWP TO 4356858400	486.27 -	0.00	0.00	0.00
05/21/18	DAILY ENDING BALANCE	0.00	486.27	776,064.83	81.80 -
05/22/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/22/18 SET/DATE 05/22/18 CUSIP X9USD0002 486.270 SHARES	0.00	486.27 -	486.27	0.00
05/22/18	DAILY ENDING BALANCE	0.00	0.00	776,551.10	81.80 -
05/31/18	Purchase FIDELITY INVESTMENT MM TSY 3 696 TRADE DATE 05/31/18 SET/DATE 05/31/18 CUSIP X9USD0002 20,657.610 SHARES	0.00	20,657.61 -	20,657.61	0.00
05/31/18	Deliver INVESTMET AGREEMENT WITH CALYON 4.5 DTD 09/19/07 DUE 09/29/2039 (FLOAT FD) /IAS/GIC WITHDRAWAL FOR 06/01/2018 /IAS/ FULL CALL TRADE DATE 05/31/18 SET/DATE 05/31/18 CUSIP S86442950 20,657.610 SHARES	0.00	0.00	20,657.61 -	0.00
05/31/18	Cash Credit RECEIVED DRAW DOWN FROM INVESTMENT AGREEMENT	0.00	20,657.61	0.00	0.00
05/31/18	DAILY ENDING BALANCE	0.00	0.00	776,551.10	81.80 -
05/31/18	CLOSING BALANCE	0.00	0.00	776,551.10	81.80 -

Cumulative realized capital gain and loss position from 12/31/2017 for securities held in principal of account:

Short Term: 0.00 \* Long Term: 332.14\*

\* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

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**BNY MELLON**

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2018 Through 05/31/2018

Account 435685

BROWARD 07 E REVENUE

Cash and securities set forth on this Account Statement are held by The Bank of New York Mellon, an affiliate of The Bank of New York Mellon Trust Company, N.A. In addition, The Bank of New York Mellon Trust Company, N.A. may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

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