

SELTZER MANAGEMENT GROUP, INC.

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December 4, 2017

VIA EMAIL AND U. S. MAIL

Mr. Mark Hendrickson
Financial Advisor
Housing Finance Authority of Hillsborough County
1404 Alban Avenue
Tallahassee, Florida 32301

Re: The Tempo at Encore - 2014 Series A and B

Dear Mr. Hendrickson:

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) is in receipt of an Application for an additional \$13,000,000 in tax-exempt bond financing to be issued by the Housing Finance Authority of Hillsborough County (“HFAHC” or the “Authority”) for the above referenced development. In addition, SMG has received a Development Status update and updated Sources and Uses of Funds from the Bank of America Community Development Corporation (“BACCDC”), the managing member of the developer entity, CPDG 2, LLC. At your direction, SMG has reviewed the request and formulated a recommendation. Our findings are as follows:

- SMG previously provided a credit underwriting report, dated August 21, 2014, and recommendation to provide \$10,000,000 in construction and permanent financing (Series A) and \$9,500,000 in construction only financing (Series B). The financing closed on October 23, 2014.
- The transaction has incurred significant delays and overages primarily related to the performance and removal of the original and replacement general contractor.
- The revised Source and Use of funds schedule indicates that these overages may be in excess of \$33,000,000 and create a funding gap.
- As the managing member of the development entity and as required under the Construction Completion Guarantee, BACCDC has agreed to advance funds necessary to fund the gap and complete construction.
- These funds will be evidenced by a promissory note from BACCDC.
- To satisfy the “50% test”, an additional \$13,000,000 in tax-exempt bond financing (Series C) has been requested.
- The Series C bonds will be cash collateralized and be in a subordinate position behind the Series A and B bonds.
- Upon construction completion and satisfaction of the 50% test, the Series C bonds will be retired with proceeds from the additional BACCDC advance.

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- It is anticipated that a substantial portion, if not all, of the BACCDC advance will be repaid from litigation, insurance and additional Housing Credit syndication proceeds.
- No additional permanent debt will be added and Seltzer's original underwriting and debt service coverage assumptions remain valid.

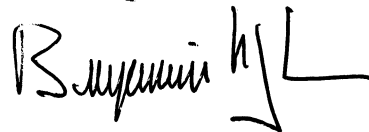
SMG concludes that the additional \$13,000,000 of tax-exempt bond financing is required to meet the 50% test and maintain the economic viability of the transaction. Accordingly, SMG recommends that HFAHC approve the additional tax-exempt debt, subject to the following:

- Review and approval of all loan documents consistent with the terms outlined above and required to effectuate the transaction by the Authority's legal counsel,
- Payment of any fees due HFAHC and related parties to the transaction,
- Consent of the other lenders and HC equity provider, as applicable, and
- All other due diligence required by HFAHC and its legal counsel.

Should you have any questions please feel free to contact me directly.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.

A handwritten signature in black ink, appearing to read "Benjamin S. Johnson", written over a horizontal line.

Benjamin S. Johnson
President