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**Date:** August 30, 2021 at 2:30:08 PM EDT  
**To:** "Ralph Stone ([RSTONE@broward.org](mailto:RSTONE@broward.org))" <[RSTONE@broward.org](mailto:RSTONE@broward.org)>  
**Cc:** Josh Tonnesen <[Josh.Tonnesen@CornerstoneGrp.com](mailto:Josh.Tonnesen@CornerstoneGrp.com)>, Mara Mades <[Mara.Mades@CornerstoneGrp.com](mailto:Mara.Mades@CornerstoneGrp.com)>

**Subject: Solaris Apartments**

Hi Ralph,

Pursuant to our conversation last week, we are respectfully requesting an additional \$800,000 of funding from Broward County for the above referenced project. This will enable us to reduce the amount of the first mortgage and ongoing mortgage payments and will ensure the future success and viability of the project. It's especially important to keep our first mortgage as low as reasonably possible since operating costs have escalated sharply. Insurance premiums, personnel costs, and security, among others, have been particularly affected, not just for us but to the industry in general,

I'd also like to point out that we have had a very substantial increase in construction costs from our original pricing in January, so much so that we needed to lock in the pricing in May of this year. Luckily, since then, we've only had a very small increase in costs which we will have to absorb. I'm sure the County and the City and everyone else with active construction projects have been affected by the same problem.

It is our understanding that the developer will not be subject to a 50% deferral of the developer fee, and that the Seltzer underwriting will be used to determine the necessary sources and uses, project expenses, etc.

We also understand that the additional funds are subject to approval by the BCC.

We will do everything possible to close this transaction in 2021, despite the bottleneck at DEO affecting all the FHFC recipients of CDBG-DR funds. We reached out this morning to an ex-director of DEO to help us push our project to the finish line.

Thank you.

Lenny

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PARTNER

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