

TOTAL CAPITAL SOLUTIONS GROUP

Total CapitalSolutions Group (TCSG) is a condominium approval service provider that helps associations submit packages for HUD approvals and recertifications.

Why Condominium Project Approval & Recertification services are needed:

Condo Project Approvals and recertifications are now required for HUD/FHA mortgages to be made available on condominium properties. The approval process can be likened to preparing and submitting tax returns; condominium property underwriting approval criteria and guidelines are always changing. The HUD condo approval process is now required every two years and many association's approvals are expiring and will require recertification in the very near future. We provide both approval and recertification services and can help determine if you are approved and if so, when you are expiring.

How to get started:

1. Complete the attached forms
2. Complete and sign the proposal
3. Mail or email condo documents
4. Mail a check to:
TCSG, LLC
C/O Jason Winburn
2041 Mendenhall Drive
Atlanta, GA 30341

Next steps...

Call, e-mail or visit our website for more information and if ready follow the steps below:

1. Once we have received the preliminary information from above we will send a more thorough needs list.
2. Once all the documentation has been received, the approval package is submitted.
3. Once decided by HUD, we will share the results and if needed continue working to try and fix problems.
4. Typical timeline is 6-7 weeks.

Benefits to outsourcing recertifications and condo approvals are:

1. Financing options help value
2. Multiple refinancing options
3. Realtors will continue bringing clients to property
4. Financing options will increase your buyer pool
5. Time management and effective use of board and property management time

We have temporarily reduced our fee to \$2,000 for recertifications and full approvals.

Jason Winburn, CPA
jwinburn@totalcapitalsolutionsgroup.com
770-695-9401

TOTAL CAPITAL SOLUTIONS GROUP

Condominium Project Approval Proposal

(condo association name here)

Scope of assignment:

Total Capital Solutions Group (TCSG) will coordinate, collect, review and submit the required documents and exhibits to obtain a HUD approval. This process can also involve several parties including, but not limited to, an appraiser, attorney, lender, developer, builder, and insurance agent.

TCSG will submit the project to HUD. It is understood that TCSG acts solely as a conduit for the submission of the required documents, acts on behalf of its client to present and facilitates communication of required exhibits to obtain project approvals. Approval, if and once granted, will be provided to the client who is in turn responsible for providing copies to any interested property.

TCSG will submit the required documents and exhibits to HUD, to obtain approval for the project and submit additional conditions, if needed, to obtain the HUD project approval for the project, but we do not guaranty approval on behalf of HUD.

Fee Structure (choose one):

- A.** In consideration of these services the undersigned agrees to pay \$2,000 to Total Capital Solutions Group, LLC for HUD approval. Fee is due upon execution of the proposal and is considered full earned and nonrefundable upon receipt.
- B.** In consideration of these services the undersigned agrees to pay \$1,000 to Total Capital Solutions Group, LLC for HUD approval. Fee is due upon execution of the proposal and is considered full earned and nonrefundable upon receipt; an additional \$750 will be due once the condominium above is approved through HUD.

Cancellation:

If this proposal is not accepted within 30 days of the date below, TCSG has the right to withdraw, cancel or amend the proposal at its discretion.

Acknowledged and accepted

Date

TOTAL CAPITAL SOLUTIONS GROUP

General Condominium Information:

Condo ID: _____ (Condo ID begins with A, D, P, or S) as applicable

Condominium Legal Name: _____

HOA Tax Payer ID, id available: _____

Project Address: _____

City: _____ State: _____ Zip: _____

Major Cross Street: _____

Lot: _____ Block: _____ Plat: _____ *Metes & Bounds: _____

Tract: _____ * Attach legal description

Construction Type:

Proposed

Under Construction

Existing < 12 months old (New)

Existing > 12 months old

Newly converted Conversion (Non Gut-Rehab)

Conversion (Gut-Rehab)

Month / Year Project Completed (for a project 100% completed): _____

First legal phase completion date: _____

Completion date of the previous legal phase: _____

Manufactured Housing: Yes No

Project Composition: Describe the project, e.g high-rise, duplex, number units, etc.

TOTAL CAPITAL SOLUTIONS GROUP

PLEASE ENSURE THAT THE PROJECT MEETS ALL APPLICABLE REQUIREMENTS PRIOR TO SUBMITTING FOR REVIEW AND CONSIDERATION.

BASIC REQUIRED DOCUMENTATION

RECORDED DOCUMENTS MUST BE SUBMITTED WHERE AVAILABLE; OTHERWISE, UNRECORDED DOCUMENTS MAY BE SUBMITTED.

NO LOAN WILL BE INSURED IN A PROJECT UNTIL RECORDED DOCUMENTS ARE RECEIVED BY FHA.

IF LEGAL DOCUMENTS, PER STATE LAW, ARE NOT ENFORCEABLE WITHOUT RECORDATION, RECORDED DOCUMENTS MUST BE SUBMITTED.

BASIC DOCUMENTATION IS REQUIRED FOR ALL DEFINED SUBMISSION TYPES.

IF THERE HAS BEEN A CHANGE IN SPONSOR OWNERSHIP, ALL APPLICABLE LEGAL DOCUMENTS MUST BE INCLUDED AS PART OF THE PROJECT APPROVAL SUBMISSION PACKAGE REGARDLESS OF THE CONSTRUCTION STATUS.

- Cover letter/document with all requested fields entered
- Condo legal documents and all amendments thereto
 - Recorded plat map indicating legal description
 - Recorded covenants, conditions and restrictions (CC&Rs)/Declaration/Master Deed
 - Signed and adopted bylaws; if State law does not require signed bylaws, provide copy of applicable State statute
 - Articles of Incorporation, Articles of Association or Condominium Trust filed with the State; if State law does not require incorporation, provide copy of applicable State statute
 - Recorded condominium site plans
- Financial Documents:
 - Current year's Budget

TOTAL CAPITAL SOLUTIONS GROUP

Previous year's actual year-end results (Income and Expense Statement)

Current balance sheet to support adequacy of Budget (current balance sheet to be dated within the last 90 days)

Note: Reserve Study required if budget is deemed inadequate to support project.

Management Agreement - signed (if applicable); in lieu of an executed agreement, an executed (signed/dated) document defining the terms and services provided by the management company on behalf of the homeowners association may be provided

FEMA Flood Map (must be official FEMA Flood Map; must identify location of project on FEMA Flood Map; flood certification is acceptable to augment the FEMA Flood Map but cannot replace it)

LOMA, LOMR or an Elevation Certificate – an Elevation Certificate may not be used for proposed or under construction projects (if applicable)

Evidence of Required Insurance Coverage (minimum coverage must comply with HUD standards)

Master Flood Insurance Policy (as applicable)

Liability Insurance

Hazard Insurance – Master policy

Fidelity Bond Insurance (could also be titled as an Employee Dishonesty Policy or Crime policy – if so, must meet all standards and all endorsements thereto must be provided); Copy of entire policy required, including all endorsements thereto; If the homeowners association has a management company under contract then the management company must also obtain and maintain their own insurance coverage – this does not replace the HOA required coverage noted above.

Current Declaration pages for all policies required

Has Transfer of Control to the HOA occurred? Yes No; If yes, provide the date

TOTAL CAPITAL SOLUTIONS GROUP

Outstanding, pending or recently mitigated litigation (mitigation / arbitration for 2-4 unit projects)? Yes No; (If yes, provide an explanation.)

Project is in receivership / bankruptcy / deed-in-lieu of foreclosure / foreclosure? Yes No; (If yes, provide an explanation and supporting documentation.)

Change in sponsor ownership (builder / developer / construction lender / or other party) that holds title? Yes No (If yes, provide an explanation.)

Special Assessment(s) (current or pending)? Yes No (If yes, provide an explanation and supporting documentation.)

Is the condominium in a leasehold estate (ground lease)? Yes No (If yes, submit a copy of the leasehold agreement.) (DELRAP participating mortgagees – leasehold agreement is to be reviewed by HUD to determine eligibility prior to DELRAP approval of the project.)

Does the project contain affordable housing and / or below market rate (BMR) units? Yes No (If yes, provide: (a) number of defined affordable housing units; (b) identify the designated units in the recorded legal documents; and (c) provide an executed affordable housing agreement between the local housing jurisdiction and the developer.)

Does the project contain any rent-stabilized units? Yes No (If yes, provide: (a) number of defined rent stabilized units ____; (b) identify the designated units in the recorded legal documents; and (c) provide the rent stabilization agreement.)

Does the project contain any live / work units? Yes No

Does the project contain commercial / non-residential space? Yes No (If yes, provide: the percentage of commercial / non-residential space ____%.)

PROPOSED, UNDER-CONSTRUCTION OR EXISTING < LESS THAN 12 MONTHS OLD (NEW) REQUIRED DOCUMENTATION

Builder's Certification of Plans, Specifications and Site, Form HUD -92541 must be signed and dated; documentation must be submitted to mitigate conditions noted on the Form HUD-92541

AFHMP (Form HUD-935.2C), VAMA or Item 11d on Form HUD-92541, Builder's Certification must be signed and dated

TOTAL CAPITAL SOLUTIONS GROUP

- Estimated Construction Completion Date / Completion Date of the Previous Legal Phase _____ (include legal phasing schedule)
- Building Permit, or equivalent
- Certificate of Occupancy, or equivalent, if issued
- Phase I Environmental Assessment Report (required for HRAP and DELRAP approval)
- Current site photographs

NEWLY CONVERTED (LESS THAN TWO YEARS FROM RECORDATION DATE)

- Conversion date (Recordation date of original declaration CC&Rs)
- If tenant occupied, provide a spreadsheet listing the number of units rented and the remaining term of the leases.
- AFHMP (Form HUD-935.2C), VAMA or Item 11d on Form HUD-92541, Builder's Certification must be signed and dated
- If gut-rehab, provide Form HUD-92541, Builder's Certification of Plans, Specifications and Site
- If gut-rehab, provide an engineer's report
- If gut-rehab, provide a Phase 1 environmental report
- Building Permit, or equivalent
- Certificate of Occupancy, or equivalent, if issued

2-4 UNIT PROJECTS

FHA will defer to State and/or local law regarding documentation requirements.

- All recorded documents, e.g. Declaration or its equivalent and other documentation as required by the State.
- A plan or evidence of homeowner's agreement (if required by the State).
- A recorded Memorandum of Understanding between the homeowners defining each unit owner's responsibilities for example, maintenance/repair/replacement of

TOTAL CAPITAL SOLUTIONS GROUP

common areas including sidewalks, driveways, common walls (includes side by side or vertical type units), etc.

Evidence of insurance. The insurance policy must be in either the individual homeowners name(s) or the HOA.

Litigation or Mitigation / Arbitration (current or pending) Yes No (If yes, provide an explanation and supporting documentation)

Additional Required Information

Is the association self managed? Yes No

Is there required maintenance that has not been completed? Yes No (If yes, provide an explanation)

What is the current balance (within 30 days of submission) in the reserve account?

Total number of declared legal phases within the project

Total number of units in declared legal phases

Total number of planned units within project

Number of owner-occupied units

Number of tenant occupied units

Number of tenant occupied units owned by the developer

Number of units vacant and unsold

Number of bank-owned units (REO)

Number of investor owned units within the project* _____ * this does not include an investor's primary residence. Identify all individual investors and include the number of units owned (attach additional pages as necessary)

Number of units where HOA dues (all assessments for monthly dues including parking) are >30 days delinquent (Includes REO owned units) _____

Provided below is the required certification that must be completed by the submitter.

TOTAL CAPITAL SOLUTIONS GROUP

I certify that the condominium legal documents reviewed at the time of recertification or re-approval:

Do not contain any changes or conditions since the project was initially FHA approved

-OR-

Change(s) have been made since the initial project approval and have been identified. The changes do not affect the eligibility of the project.

Printed Name Date

Signature Line

Title and Company Name

TOTAL CAPITAL SOLUTIONS GROUP

Team

Underwriters

Paul Nendel

Paul Nendel is the Director of Underwriting for TCSG and founder of Nexus Appraisers and Consultants. His primary focus has been on new construction condominiums with association and mixed-use components. Working directly with National Lenders, Paul has performed numerous project approvals and is very familiar with Fannie Mae, Freddie Mac property, and HUD/FHA guidelines. Project approvals are feasibility studies that help banks determine risk in lending on new condominium and mixed-use projects through analysis of unit mix, pricing, concept, demographics, and location. Paul is an expert in project approvals. Also of note his experience assisting top lenders with appraisal review and forensic valuation of condominium communities for mortgage fraud investigations.

Having achieved a B.S. from Ball State University, his professional education took place at the National College of Appraisal and The Appraisal Institute.

Lorna Hunter

As a Senior Underwriter with TCSG for over a year, Lorna has experience with the regulations and requirements necessary to complete the HUD condo approval process. Lorna works diligently with individual clients to assess their specific needs and ensure that everything is organized and prepared correctly as possible initially, thus saving clients time in the overall approval process. With her attention to detail and goal-driven attitude, she always works toward the benefit of the client.

As a natural-born leader, Lorna works well with people by constantly motivating and encouraging them. Her career includes 20 years of upper management experience and 20 years in retail and sales, providing her with a thorough understanding of business functions. Her vast business experience and her efficient and strong work ethic make Lorna invaluable to the TCSG team.

Jim Hunter

As an Underwriter for TCSG, Jim provides the company with his vast array of knowledge. Jim holds a Bachelors degree in Business Education and Information Technology as well as a Masters in Occupational Studies, which gives him experience in a variety of fields.

His patient, diligent and kind attitude, and attention to detail make Jim the perfect partner to get the client's condo through the approval process.

Advisors

Jason Winburn

Mortgages and Finance. As board member, Jason has the right blend of experience to successfully guide TOTAL CAPITAL SOLUTIONS GROUP (TCSG) to its maximum potential.

Jason was previously with Wells Fargo, one of the recognized leaders in condominium financing, as a Mortgage Banker and Mortgage Branch Manager. His financial background includes obtaining the designation of Certified Public Accountant, Auditor with PriceWaterhouseCoopers, and Risk Consultant with Arthur Andersen. In addition, he has passed the first level of the CFA exam and has achieved a MBA in Finance. Jason has also served on condominium boards for over 9 years and has managed the financial success of this group.

This mix of experience brings real value to condominium owners and associations. As lending regulations and standards continue to change, the team at TOTAL CAPITAL SOLUTIONS GROUP (TCSG) will keep you at the forefront of the market and have the competitive edge needed in today's real estate environment.

Phil Baldwin

Phil Baldwin's career entails extensive banking experience – President and CEO of three banks over a 35 year banking career; Management Consultant 5 years doing mergers and acquisitions, and earnings improvement studies. During his tenure Phil built businesses while assessing individual client needs both for personal and professional banking services. Additionally, helped clients respond to the need for greater capital requirements, liquidity and sustainable business models.

Phil is a graduate of West Georgia University 1973 and alumni of both the Graduate School of Banking of the South 1994 and Graduate School of Banking University of Georgia 1984.

Chair Elect of the Community Bankers Association of Georgia and Board member and Executive committee for 8 years.

Chair Elect of the Community Bankers Association of Georgia and Board member and Executive committee for 8 years; Past President of Chamber of Commerce, United Way, Kiwanis club, and other community boards.

As an advisor to TOTAL CAPITAL SOLUTIONS GROUP Phil consults and advises top management on banking best practices, diversified growth strategy and a sustainable long-term business strategy focused on customer service and ethics.

William Kooymans

William Kooymans is a retired PricewaterhouseCoopers Big 4 audit partner having focused on complex financial and accounting issues for middle market and private company practices. During his tenure he was the partner in charge of the Atlanta Private Company Services practice servicing clients with revenues ranging from \$300 million to \$5 billion and providing audit, tax and advisory services.

Bill is a graduate of Florida State University with a Bachelors of Science in Accounting.

As an advisor to TOTAL CAPITAL SOLUTIONS GROUP Bill consults and advises top management on best practices, diversified growth strategy and a sustainable long-term business development focused on a professional services customer and client relations approach.