MEMORANDUM

Agenda Item No. 8(K)(2)

TO:	Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners	**DATE:**	December 16, 2014
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution approving and authorizing the County Mayor to execute a Master Development Agreement, all necessary mixed-finance agreements, and all other necessary documents with RUDG, LLC or its subsidiaries or designees for the development of Stirrup Plaza Phase Two, subject to United States Department of Housing and Urban Development's approval

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Commissioner Xavier L. Suarez.

R. A. Cuevas, Jr.
County Attorney

RAC/cp

Memorandum

MIAMI-DADE COUNTY

Date: December 16, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Resolution Authorizing the Execution of a Master Development Agreement with RUDG, LLC (Related Urban) for the development of Stirrup Plaza Phase Two

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Recommendation

It is recommended that the Board of County Commissioners (Board):

1) Authorize the County Mayor or the County Mayor's designee to execute a master development agreement with RUDG, LLC (Related Urban) or its subsidiaries or designees, subject to the United States Department of Housing and Urban Development's ("Housing and Urban Development") approval, for the development of Stirrup Plaza Phase Two;

2) Authorize the County Mayor or the County Mayor's designee to execute all necessary mixed-finance agreements and all other documents including but not limited to amendments, agreements, and ground leases, subject to Housing and Urban Development's approval;

3) Authorize the County Mayor or the County Mayor's designee to execute a ground lease with Stirrup Plaza Phase Two, LLC and any additional ground leases that may be necessary to preserve Stirrup Plaza Phase Two, LLC's site control of Stirrup Plaza Phase Two, subject to Housing and Urban Development's approval;

4) Authorize the County Mayor or the County Mayor's designee to submit an amendment to the County's disposition application to Housing and Urban Development for the purpose of utilizing vacant land on the existing Stirrup Plaza Public Housing Development site to construct a new 68 unit, mixed-income elderly building consisting of seven (7) public housing units, 37 HOME-assisted units, and 24 low-income housing tax credit units;

5) Authorize the County Mayor or the County Mayor's designee to execute an amendment to the Annual Contribution Contract which provides for the County's receipt of public housing subsidy, subject to Housing and Urban Development's approval;

6) Authorize the County Mayor or the County Mayor's designee to execute a consent to the Access and Parking Agreement and Easement between Stirrup Plaza Preservation Phase One, LLC and Stirrup Plaza Phase Two, LLC;

7) Waive the requirements of Resolution No. R-130-06, which requires that all contracts must be fully negotiated and executed by a non-County party, since neither the County, Stirrup Plaza Phase Two, LLC nor Related Urban can execute any mixed finance agreements, including but limited to the Master Development Agreement and the ground lease for Stirrup Plaza Phase Two, without Housing and Urban Development's prior approval;

8) Direct the County Mayor or Mayor's designee to provide an executed copy of the ground lease to the Property Appraiser's Office pursuant to Resolution No.R-791-14; and

9) Direct the County Mayor or the County Mayor's designee to comply with the requirements of Resolution No. R-974-09.

CONTRACT NO:	Request for Proposals No. 794 - Stirrup Plaza Phase Two
CONTRACT TITLE:	Request for Proposals No. 794 re-development for Stirrup Plaza Phase Two
DESCRIPTION:	Subject to Housing and Urban Development's approval, Related Urban or its subsidiaries or designees and the County will execute all necessary mixed-finance documents, including but not limited to a Master Development Agreement, and Related Urban will perform all requirements indicated therein. Related Urban will plan and implement all aspects of the redevelopment plan in close coordination with Public Housing and Community Development ("Department"). Related Urban will facilitate and foster continued collaboration with the Department, the residents, as well as key community stakeholders, during the entire development process. The scope is further described under "Scope" in this document.
TERM:	Seventy-five (75) years from the commencement date of the Ground Lease.
CONTRACTS AMOUNT:	For Stirrup Plaza Phase Two, the total estimated development cost is $12,735,921.
DEVELOPER:	Related Urban
USING/MANAGING AGENCY:	Public Housing and Community Development
LIVING WAGE:	The services provided are not covered under the Living Wage Ordinance.
LOCAL PREFERENCE:	Not applicable due to public housing federal subsidy funding restrictions.
ESTIMATED CONTRACT COMMENCEMENT DATE:	Upon the approval of all mixed-finance documents by Housing and Urban Development.
DELEGATED AUTHORITY:	Subject to the approval of this resolution and approval of the mixed-finance documents by Housing and Urban Development, the County Mayor or the County Mayor's

	designee will have the authority, at County Mayor's or the County Mayor designee's discretion, to execute all necessary mixed-finance agreements, contracts, and other related documents, including but not limited to a master development agreement, ground leases, and amendments. The County Mayor or the County Mayor's designee will also have the authority to submit an amendment to the County's current disposition application to Housing and Urban Development. The County Mayor or the County Mayor's designee will be further authorized to amend the Annual Contribution Contract with Housing and Urban Development, and exercise subsequent amendments and/or extensions in accordance with the terms and conditions of the contract. Finally, the County Mayor or the County Mayor's designee will also have the authority to execute a consent to the Access and Parking Agreement and Easement between Stirrup Plaza Preservation Phase One, LLC and Stirrup Plaza Phase Two, LLC, which is needed to permit the two entity owners to have access to the entire property.
SCOPE:	Stirrup Plaza Phase Two will include the construction of a new, mixed-income, elderly building consisting of 68 new units comprised of seven (7) public housing units, 37 HOME-assisted units, and 24 low-income housing tax credit units located at 3150 Mundy Street, Miami, Florida. The Stirrup Plaza Phase Two development is located in District 7, which is represented by Commissioner Xavier L. Suarez.
COUNTY FUNDING SOURCE/ FISCAL IMPACT	Fiscal impact to the County for Stirrup Plaza Phase Two is anticipated at approximately $3,464,375 in Surtax funds. The actual amount will vary (but will not exceed amount indicated) upon final disposition of other funding applications for which Related Urban has applied.
TRACK RECORD/MONITORING:	Jorge R. Cibran, AIA, Director of Facilities and Development Division for the Department.

Background

Request for Proposals No. 794 was issued on July 14, 2011 to solicit offers from developers to maximize and expedite the development potential of over 100 existing public housing sites and vacant land sites administered by the Department. The solicitation sought to establish partnerships with qualified entities to rehabilitate/upgrade existing public housing units, remove and replace obsolete public housing units, increase the number of units on underutilized sites, develop vacant land owned by the County, and also incorporate commercial and other special purpose uses, where appropriate, at

particular public housing sites or vacant land sites. Additionally, the Department sought to replace its older units with new contemporary designs that resemble market-rate units and incorporate creative and sustainable design solutions.

On November 23, 2011, the Board, pursuant to Resolution No. R-1026-11, awarded site control through ground leases to six (6) developers for twenty-eight (28) project sites, including award of the Stirrup Plaza redevelopment to Related Urban. The information provided in Attachment A of this memorandum is being submitted as required by Resolution No. R-376-11.

Related Urban completed Phase One of the Stirrup Plaza redevelopment, which included the rehabilitation of 100 public housing units and corresponding site improvements. Related Urban now proposes to move forward with the second phase of the project, Stirrup Plaza Phase Two.

On June 19, 2012, the Board adopted Resolution No. R-512-12 which authorized the County Mayor or the County Mayor's designee to submit a disposition application to Housing and Urban Development. On December 21, 2012, Housing Urban and Development approved the County's disposition application. Related Urban's proposal for Stirrup Plaza Phase Two is to utilize vacant land on the existing site to construct a new building consisting of 68 new 1-bedroom units, which includes seven (7) public housing units, 37 HOME-assisted units, and 24 units low-income housing tax credit units. The inclusion of non-public housing units will introduce a broader mix of incomes on the site and create much needed affordable housing opportunities on the site. In order to effectuate this proposed use of the public housing site, the County must amend its prior disposition application and seek further approval from Housing and Urban Development. Following Housing and Urban Development's approval of the County amended disposition application, the County and Related Urban will execute additional mixed-finance agreements and documents required by Housing and Urban Development, including but not limited a ground lease between the County and Stirrup Plaza Phase Two, LLC., a subsidiary of Related Urban, and a mater development agreement with Related Urban.

Attachments

Russell Benford, Deputy Mayor

ATTACHMENT A

Stirrup Plaza Public Housing Development, Phase 2

The following information is provided to the Board as required by Resolution No. R-376-11:

(l) Background information explaining how, when and why the County acquired the property.

Stirrup Plaza Public Housing Development has a Declaration of Trust with US Department of Housing and Urban Development dated 1973 and the project was completed in 1977.

(2) Itemized accounting of the County's past and proposed future investment in the property, including acquisition, rehabilitation, and maintenance costs.

The Department does not have the total amounts expended on rehabilitation and maintenance from date of site acquisition. However, the approximate maintenance costs are $320,000 annually and the rehabilitation/capital improvement costs since 2009 are itemized in the chart below:

NAME OF DEVELOPMENT	SCOPE OF WORK	PROJECT AMOUNT
STIRRUP PLAZA ELDERLY HOUSING 3150 MUNDY ST.	LIGHTNING PROTECTION	$87,595.34
		$87,595.34

(3) The amount and an explanation of any mortgages, fines, liens or other costs paid by the County in acquiring the property.

There are no mortgages and the Department is not aware of any fines, liens, or other costs paid by the County in acquiring this property.

(4) The location of the property, including the commission district.

The Stirrup Plaza Phase Two development is located in District , which is represented by Commissioner

(5) Assessed value of the property.

According to the Miami-Dade County's Property Appraiser's website, the assessed value of Stirrup Plaza Public Housing Development is $10,913,153.

(6) Summary of the terms, duties and responsibilities to be imposed upon the recipient of the property pursuant to any agreements.

The Developer shall develop Stirrup Plaza Phase Two in accordance with requirements of the Master Development Agreement (MDA), attached to this resolution. Stirrup Plaza Phase Two consists of a new sixty-eight (68) unit building comprised of seven (7) ACC public housing units and sixty-one (61) elderly affordable non-ACC units.

(7) Summary of remedies available to the County in the event that the proposed recipient does not fully comply with said agreements.

Failure to comply with the MDA shall constitute a default against the Developer. If the Event of Default occurs and remains uncured, the Developer shall be liable for all damages to the County resulting from such Event of Default. The Developer shall also remain liable for any liabilities and claims related to the Developer's default. The County may also bring any suit or proceeding for specific performance or for an injunction.

(8) Summary of future controls and transfer restrictions on the property or, in lieu of a summary, a copy of any restrictive covenant, restrictive deed or other controls to be placed upon the property by the County at the time of transfer or sale.

The Stirrup Plaza Phase Two development land shall be under a ground lease between the County and the ownership entity of the development. The ground lease is attached to this resolution. A summary of controls pursuant to the ground lease Section 8.1 include termination of the Lease, whereupon the Lease shall terminate unless Tenant's default has been cured. Upon such termination, Tenant's interest in the Premises shall automatically revert to Landlord, Tenant shall promptly quit and surrender the Premises to Landlord, without cost to Landlord, and Landlord may, without demand and further notice, reenter and take possession of the Premises, or any part thereof, and repossess the same as Landlord's former estate by summary proceedings, ejectment or otherwise without being deemed guilty of any manner of trespass and without prejudice to any remedies which Landlord might otherwise have for arrearages of Rent or other impositions hereunder or for a prior breach of the provisions of this Lease. The obligations of Tenant under the Lease which arose prior to termination shall survive such termination.

MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: December 16, 2014

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(K)(2)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 8(K)(2)

12-16-14

RESOLUTION NO. _____

RESOLUTION APPROVING AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE A MASTER DEVELOPMENT AGREEMENT, ALL NECESSARY MIXED-FINANCE AGREEMENTS, AND ALL OTHER NECESSARY DOCUMENTS WITH RUDG, LLC OR ITS SUBSIDIARIES OR DESIGNEES FOR THE DEVELOPMENT OF STIRRUP PLAZA PHASE TWO, SUBJECT TO UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S APPROVAL; APPROVING AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE A GROUND LEASE AND ANY ADDITIONAL GROUND LEASES THAT MAY BE NECESSARY TO PRESERVE SITE CONTROL OF THE DEVELOPMENT WITH STIRRUP PLAZA PHASE TWO, LLC; AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO SUBMIT AN AMENDMENT TO THE COUNTY'S DISPOSITION APPLICATION TO UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO INCLUDE THE CONSTRUCTION OF A NEW 68 UNIT, MIXED-INCOME, ELDERLY BUILDING, EXECUTE AMENDMENT(S) TO ANNUAL CONTRIBUTION CONTRACT(S), SUBJECT TO UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S APPROVAL, AND EXECUTE CONSENT TO ACCESS AND PARKING AGREEMENT AND EASEMENT BETWEEN STIRRUP PLAZA PRESERVATION PHASE ONE, LLC AND STIRRUP PLAZA PHASE TWO, LLC; WAIVING THE REQUIREMENTS OF RESOLUTION NO. R-130-06; AND DIRECTING COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO PROVIDE EXECUTED COPIES OF GROUND LEASES AND OPERATING AGREEMENTS TO THE PROPERTY APPRAISER'S OFFICE AND TO RECORD IN THE PUBLIC RECORD ALL INSTRUMENTS CREATING OR RESERVING A REAL PROPERTY INTEREST IN FAVOR OF THE COUNTY

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The foregoing recitals are incorporated in this resolution and are approved.

Section 2. This Board approves the terms of and authorizes the County Mayor or the County Mayor's designee to execute a Master Development Agreement with RUDG, LLC ("Related Urban") or its subsidiaries or designees for the development of Stirrup Plaza Phase Two, in substantially the form attached hereto as Exhibit A, subject to the United States Department of Housing and Urban Development's ("Housing and Urban Development") approval.

Section 3. This Board authorizes the County Mayor or the County Mayor's designee to execute all necessary mixed-finance agreements and all other necessary documents with Related Urban or its subsidiaries or designees, including but not limited to amendments, agreements, and ground leases, subject to Housing and Urban Development's approval.

Section 4. This Board approves the terms of and further authorizes the County Mayor or the County Mayor's designee to execute a ground lease for Stirrup Plaza Phase Two with Stirrup Plaza Phase Two, LLC, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. This Board further authorizes the County Mayor or the County Mayor's designee to execute any additional ground leases that may be necessary to preserve Stirrup Plaza Phase Two, LLC's site control of the development.

Section 5. This Board authorizes the County Mayor or the County Mayor's designee to submit an amendment to the County's disposition application to Housing and Urban

Development for the purpose of utilizing vacant land on the existing Smathers Plaza Public Housing Development site to construct a new 68 unit, mixed-income, elderly building consisting of seven public housing units, 37 HOME-assisted units, and 24 low-income housing tax credit units.

Section 6. This Board authorizes the County Mayor or the County Mayor's designee to execute an amendment(s) to the Annual Contribution Contract(s), which provides for the County's receipt of public housing subsidy, subject to Housing and Urban Development's approval.

Section 7. This Board approves the terms of and authorizes the County Mayor or the County Mayor's designee to execute a consent to the Access and Parking Agreement and Easement between Stirrup Plaza Preservation Phase One, LLC and Stirrup Plaza Phase Two, LLC, in substantially the form attached hereto as Exhibit C.

Section 8. This Board waives the requirements of Resolution No. R-130-06, which requires that all contracts must be fully negotiated and executed by a non-County party since the County, Related Urban or Stirrup Plaza Phase Two, LLC cannot execute any mixed finance agreements, including but limited to the master development agreement and ground lease for Stirrup Plaza Phase Two, without Housing and Urban Development's prior approval.

Section 9. The County Mayor or the County Mayor's designee is hereby directed to provide to the Property Appraiser's Office executed copies of the ground leases and operating agreements within 30 days of their execution.

Section 10. The County Mayor or the County Mayor's designee, pursuant to Resolution No. R-974-09, shall record in the public record all ground leases, covenants, reverters and mortgages creating or reserving a real property interest in favor of the County and shall

provide a copy of such recorded instruments to the Clerk of the Board within 30 days of execution and final acceptance. The Board directs the Clerk of the Board, pursuant to Resolution No. R-974-09, to attach and permanently store a recorded copy of any instrument provided in accordance herewith together with this resolution.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman

Bruno A. Barreiro	Esteban L. Bovo, Jr.
Daniella Levine Cava	Jose "Pepe" Diaz
Audrey M. Edmonson	Sally A. Heyman
Barbara J. Jordan	Jean Monestime
Dennis C. Moss	Sen. Javier D. Souto
Xavier L. Suarez	Juan C. Zapata

The Chairperson thereupon declared the resolution duly passed and adopted this 16th day of December 2014. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Terrence A. Smith

MASTER DEVELOPMENT AGREEMENT

BETWEEN

MIAMI-DADE COUNTY

AND

RUDG, LLC

STIRRUP PLAZA PHASE TWO

Table of Contents

MASTER DEVELOPMENT AGREEMENT

RUDG, LLC ("**Developer**") and MIAMI-DADE COUNTY, a political subdivision of the State of Florida and a "public housing agency" as defined in the United States Housing Act of 1937, as amended (the "**County**" or "PHCD"), hereby enter into this Master Development Agreement (this "**Agreement**"), effective as of _____, to memorialize certain business terms, conditions and agreements regarding future rehabilitation and redevelopment of Stirrup Plaza Phase Two, in Miami Dade County, Florida (collective referred to as the "**Development**").

1. Definitions.

(a) "ACC units" shall mean public housing units.

(b) "Act" shall have the meaning set forth in Section 4(b)(v).

(c) "Agreement" shall mean this Master Development Agreement.

(d) "County" shall mean Miami-Dade County.

(e) "County Store" shall mean a Miami Dade County retail outlet open to the public and operated by Internal Services Division. The County store is located at 980 West 84 Street, Hialeah, Florida

(f) "Default Notice" shall have the meaning set forth in Section 10.

(g) "Developer" shall mean RUDG, LLC.

(h) "Development" shall mean the rehabilitation and/or redevelopment of Stirrup Plaza, as further described in Section 3.

(i) "Development Budget" shall have the meaning set forth in Section 3(b).

(j) "Development Schedule" shall have the meaning set forth in Section 3(b).

(k) "Effective Termination Date" shall have the meaning set forth in Section 8(e)(i).

(l) "Existing Residents" shall mean those residents currently residing at the Development.

(m)"FHFC" shall have the meaning set forth in Section 3(b).

(n) "Financial Closing" shall mean closing on construction financing for a particular phase.

(o) "First Tier Subcontractor" shall mean a subcontractor holding a subcontract with a prime contractor. The Prime contractor is the Chief contractor who has a contract with the Owner Entity, and has the full responsibility for its completion,

(p) "Force Majeure Event" shall have the meaning set forth in Section 9(c).

(q) "HUD" shall mean United States Department of Housing and Urban Development.

(r) "HUD Safe Harbor Standards" shall have the meaning set forth in Section 5(a).

(s) "IPSIG" shall have the meaning set forth in Section 26.

(t) "LIHTC" shall have the meaning set forth in Section 3(b).

(u) "Management Agent" shall have the meaning set forth in Section 7(a).

(v) "Management Agreement" shall have the meaning set forth in Section 7(a).

(w) "Material Changes" shall have the meaning set forth in Section 3(b).

(x) "Owner Entity" shall have the meaning set forth in Section 3(c).

(y) "PHA-Assisted Units" shall have the meaning set forth in Section 3(b).

(z) "Partner" shall have the meaning set forth in Section 3(a).

(aa) "PHCD" shall mean Miami Dade County Department of Public Housing and Community Development.

(bb) "Project Stabilization" shall have the meaning set forth in Section 3(c).

(cc) "Proper Invoice" shall have the meaning set forth in Section 6.

(dd) "RFP" shall have the meaning set forth in Section 3.

(ee) "Relocation Plan" shall have the meaning set forth in Section 4(a)(ix)(4).

(ff) "Section 42" shall have the meaning set forth in Section 3(b).

(gg) "Site Plan" shall mean the portion of the Stirrup Plaza site referred to herein as Phase Two, as described at Section 3(b) herein, and as shown in Exhibit A.

(hh) "Sub Management Agreement" shall have the meaning set forth in Section 7(d)

(ii) "Termination for Cause" shall have the meaning set forth in Section 8(b).

(jj) "UFAS" shall mean Uniform Federal Accessibility Standards.

(kk) "VCA" shall mean Voluntary Compliance Agreement.

2. Nature of Agreement.

This Agreement sets forth the principal terms that have been agreed to by the parties concerning the Development (as defined below). It is anticipated that this Agreement will constitute the "Master Development Agreement" for the Development. The parties are executing this Agreement to establish the principal terms of the transaction in order to

enable both parties to proceed with an understanding of their obligations and agreements with regard to the Development.

3. Development Feasibility and Structure.

(a) Request for Proposals and Developer's Response. On July 14, 2011, the County sought proposals under Request for Proposals No. 794 (the "**RFP**") for the Development from qualified housing developers. Developer submitted a response to the RFP and County selected Developer's proposal as the most qualified response to the RFP. The County hereby approves the designation of the Developer as the developer for the Development, and as the County's "**Partner**," as described in 24 C.F.R. § 905.108, for the mixed-finance development of public housing units (as well as those other activities described herein), subject to and in accordance with the terms and conditions provided herein. The County also approves the further assignment of development rights to other phase-specific development entities which are affiliated with Developer for each phase, and upon such assignment, Developer's responsibilities hereunder will cease and be of no further effect, and such responsibilities will transfer to such other phase-specific entity.

The County and Stirrup Plaza Phase One Developer, LLC previously entered into a separate Master Development Agreement dated January 9, 2013 pursuant to which the County ground leased the Stirrup Plaza site to Stirrup Plaza Phase One Developer, LLC for the rehabilitation of the existing one hundred unit building, the common areas and amenities. The Developer will also complete as part of Phase One, by the end of December 2014, the construction of a Wellness Center on the south east corner of the site.

(b) Development Overview: The Parties hereby agree that the Stirrup Plaza Phase Two referred to herein as "Phase Two" of the Development shall be a mixed-finance development, consisting of the construction of a new 68 unit residential development for seniors. . The project is comprised of a five (5) story mid-rise (the "Phase Two Building") that will be constructed on a vacant portion of the Stirrup Plaza site as more clearly defined in the ground lease. The units are all one bedroom / one bathroom. . A total of seven (7) of the 68 units will be covered under an ACC Contract and receive operating subsidy and shall be set aside as 'public housing', as that term is defined in the U.S. Housing Act of 1937 (the "**PHA-Assisted Units**"), and will be operated and maintained as qualified Low Income Housing Tax Credit ("**LIHTC**") Units under Section 42 of the Internal Revenue Code of 1986 ("**Section 42**"), as amended, for a period of not less than the Tax Credit Compliance Period and any applicable extended use period (as such term is defined in Section 42 and required by the Florida Housing Finance Corporation ("**FHFC**"). The seven (7) units will be treated as mixed-population units in accordance to HUD requirements. The remainder of the units (sixty-one units) will be reserved for elderly residents with incomes less than or equal to 50% and 60% of AMI.

The scope of work is attached hereto for Phase Two at Exhibit A-1 (hereinafter referred to as the "**Scope of Work**"). A development budget is attached hereto as Exhibit B (hereinafter referred to as the "**Development Budget**"). A development schedule is attached hereto as Exhibit C (hereinafter referred to as the "**Development Schedule**").

A description of the unit types, sizes and targeted income levels (the "**Unit Mix**") is attached as Exhibit D. A list of key development team members is attached as Exhibit H. As development proceeds, the parties mutually agree to supplement such exhibits with a more refined budget and other development information containing achievable sources, which budget shall be tied to a redevelopment and/or rehabilitation schedule and realistic timeframes for securing development sources. Developer will submit proposed updates to the Redevelopment Plan which shall include the Scope of Work, the Development Schedule, the Development Budget and the Unit Mix for the County's review and comment, and Developer shall be required to obtain County's approval, such approval not to be unreasonably withheld, with respect to "**Material Changes**" and as changes become necessary. At a minimum, all the development updates shall be provided in six month intervals. After County provides County's approval of Redevelopment Plan, any other changes, other than material changes, shall be deemed effective upon the Partner's providing to the County notice of said change. Subject to the preceding sentence, the following shall be considered "**Material Changes**":

i. Changes to the Unit Mix;

ii. An increase in the Development Budget by more than 10%; or

iii. Changes to the Development Schedule that delay completion or lease-up by more than ninety (90) calendar days from the date of Financial Closing.

References to the Development in this Agreement shall generally refer to Phase Two. The Agreement contemplates the development of a vacant portion of the site that was incorporated in the ground lease for Phase One. The Master Development of Phase One contemplated future development activities for which the Board of County Commissioners and HUD, and the parties would work together to obtain the necessary approvals. The Phase Two development will require the release of the Phase Two site from the Phase One Ground Lease and the execution of a new Ground Lease between the County and the Phase Two ownership entity. Comprehensive rehabilitation and/or redevelopment of the entire site will occur in multiple phases and the County will enter into various ground leases and permit various sub-ground leases with various affiliates of Developer with respect to each of the various phases that collectively comprise the Development. Additionally, the County will enter into various ground leases for site control purposes with owner entities to satisfy applicable funding application requirements.

(c) Ownership Entities for Rental Phase and Selection of Investor. The Developer has formed Stirrup Plaza Phase Two, LLC (the "Owner Entity") to own Phase Two of the Development. The Owner Entity will have a managing member that will be a limited liability company controlled by the Developer. The principal equity interest in the Owner Entity will be owned by a low income housing tax credit investor that is selected by the Developer in its sole discretion.

The County agrees to take all reasonably necessary action to assist Developer in obtaining all requisite HUD approvals to utilize Developer's affiliated general contractor. The Developer will form similarly structured owner entities for all subsequent phases.

In cases where the unit mix includes ACC units, as well as affordable and/or market rate units, the ACC units shall be considered "fixed" and not "floating," and identified as such in the HUD PIC website.

Notwithstanding the foregoing set forth in Section 3 (a) through (i), this Agreement and the parties' obligations hereunder are contingent upon the final approval of this Agreement by the Board, which shall be within the Board's sole discretion. If the Board, in its sole discretion, does not approve of the Agreement, this Agreement shall be null and void.

4. Development Responsibilities.

(a) Developer Responsibilities: As more specifically set forth herein, Developer shall be responsible for development services in connection with the new construction work and/or rehabilitation in Phase Two (and Phase Three, if applicable). The Developer shall be responsible to manage and maintain the continued occupancy of any phase of the Development when such site is disposed of to the Developer (or earlier if agreed to by the parties), as well as carrying out all other work for which Developer is responsible, as such responsibilities are detailed in this Agreement. The actual services delivered shall include all development services reasonably required to complete the construction of the Development and, except as otherwise provided herein, to cause each Owner Entity to facilitate the construction of the Development, including, but not limited to:

i. establishing phasing and timetables, structuring and securing financing and obtaining necessary city and county approvals, and hiring a general contractor or construction manager. Not less than twenty (20) calendar days prior to submission of any funding applications, the Developer shall submit to County for approval a complete draft Development Plan including Scope of Work, Development Budget, Development Schedule and unit mix. The County shall approve each phase of the Development Plan

ii. providing financing to the project and identifying and securing additional financing as; completing funding applications for available local, state, and federal funding for demolition environmental remediation, New Construction, Community and Supportive Services, resident job training and apprenticeship programs, Section 3 requirements, etc., as mutually agreed upon by the County and the Developer

iii. providing all required third-party guarantees including investor and completion guarantees;

iv. assisting in preparing the Mixed-Finance Proposal; assisting in preparing or coordinating all documents necessary for closing of the financing in accordance with, as applicable, public housing, mixed-finance requirements; collaborating with the County to finalize documents and assist in the preparation of the evidentiary submission to HUD; and scheduling the Financial Closing; provide a copy of all Financial Closing Documents to the County in searchable PDF format.

v. entering into contracts or agreements, consistent with the terms of this Agreement, necessary or convenient for completion of the Development, which contracts or agreements may be assigned, as appropriate, by the Developer to the related Owner Entity at or prior to the financial closings. Awards shall be made to the bidder or offeror whose bid or offer is most advantageous to the Development, taking into consideration price, quality and other factors deemed by the Developer to be relevant; Developer shall make good faith efforts to contract with qualified bidders and offerors that are Small and Minority firms, Women's Business Enterprise, and Labor Surplus Area firms, (see Section 8 of Exhibit F); Developer shall not employ or contract with any third party contractor which has been debarred by HUD or the County and shall promptly terminate any contracts with any third party contractor that is subsequently debarred;

vi. determining all necessary governmental approvals for such plans;

vii. carrying out pre-construction and construction activities, including design, engineering, and rehabilitation of the Development, guaranteeing completion of same without Material Changes to the Development Budget or Schedule, and ensuring compliance with all applicable laws, rules and regulations;

viii. carrying out property management of the Development (if applicable), as agreed between the County and the Developer, including resident relocation (and securing site during entire relocation period) and subsequent re-occupancy of the Development, maintaining all applicable occupancy standards and maintaining all requisite reports, certifications and data in accordance with applicable VCA/UFAS unit reporting requirements; Developer shall assist the County with all reporting and coordination requirements including but not limited to, HUD-PIC coordination and submissions required for the project.

ix. maintaining regular communication and attending monthly progress meetings with the County regarding its development activities; and

x. establishing a detailed scope of work, in conjunction with the County, for the demolition, rehabilitation, and new construction work (as applicable) and submitting the same for County approval.

xi. Design, Construction, Relocation, and Accessibility Requirements:

(1) Developer shall conduct value engineering reviews during design and construction document phases to minimize construction cost and maximize scope of work to be done with allocated funding. The County will have access to design drawings and may provide comments and requests to changes in design, finishes and all aspects of the design development process.

(2) The Developer will provide the County with all cost certifications and reports from the investor and lender and the County will have the opportunity to review and comment on such certifications and reports.

(3) The County will have the opportunity to approve all change orders that require the approval of the investor and the lender (i.e. in excess of those minimum thresholds per occurrence and in the aggregate that do not require the approval of the investor and lender), such approvals not to be unreasonably withheld or delayed.

(4) Developer shall meet or exceed federal accessibility requirements and other requirements as indicated herein. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794 and 24 C.F.R. Parts 8 and 9, prohibits discrimination against persons with disabilities in any program or activity receiving Federal Financial assistance. 24 C.F.R. § 40.4 established the Uniform Federal Accessibility Standards (UFAS) as the standard design, construction, or alteration of residential structures. UFAS became effective July 11, 1988. For new public housing construction and/or rehabilitation projects, the Developer shall provide at a minimum (unless more stringent requirements apply) not less than fifteen percent (15%) of UFAS compliant units for mobility-impaired persons. An additional minimum of two percent (2%) is required for people with hearing or vision impairments. Not less than one unit each shall be provided for mobility-impaired and one unit for vision or hearing impaired if percentages indicate that less than one unit is required. UFAS compliance and certifications are required for all areas required by UFAS including interior and exterior of units, common areas, site and parking, etc. Developer shall retain an independent, experienced, and qualified third party consultant (UFAS consultant) to certify UFAS compliance in a certification form provided by the County. The UFAS consultant shall provide the HUD UFAS Accessibility Checklist along with its certification form, attached hereto as Exhibit I, to the County. The UFAS consultant shall not be the Architect of Record. The UFAS consultant shall have experience in providing UFAS certification including design reviews, construction reviews, and certifications. Additionally, the UFAS consultant shall provide to the Developer and copy the County review comments at fifty percent (50%) and one hundred percent (100%) of construction documents. Developer shall submit, through PHCD, its one hundred percent (100%) construction documents for UFAS units for review and approval by HUD. Any comments by HUD and/or PHCD and any other agencies having jurisdiction shall be incorporated in the construction documents . The UFAS consultant shall also conduct on-site inspections during construction at fifty percent (50%) and one hundred percent (100%) of construction completion to confirm UFAS compliance. The Developer, Architect of Record, UFAS consultant, and the Contractor shall attend HUD's site inspections that may be conducted during construction and / or at construction completion. The Developer shall facilitate site access for HUD's site inspections. HUD will provide comments to PHCD and the Developer. The Developer shall address all HUD comments to receive HUD approval. In the event Developer fails to comply with UFAS, as may be identified by the County, HUD or any other entity having jurisdiction, such noncompliance shall be deemed an Event of

Default pursuant to Section 9 of this Agreement, and the Developer shall be provided an opportunity to cure said default, at the Developer's cost, as prescribed by Section 10 of this Agreement. On-going information concerning UFAS units and its occupants shall also be required by the County, which requirement shall survive this Agreement. Developer shall provide required UFAS – related information as reasonably required by the County. In addition, developers are highly encouraged to provide units that are easily "adaptable" to UFAS units. Developer shall assist with VCA/UFAS reports and any other reports or information required by County or HUD.

(5) Davis-Bacon wage requirements: Davis-Bacon wages shall apply to all structures built or rehabilitated on PHCD owned or leased land regardless of whether these structures receive a federal subsidy or not. These structures may include but are not limited to public housing units, affordable units, market-rate units, commercial and/or office buildings, and/or any other structure built on site. Developer shall meet all applicable Davis-Bacon wage requirements and shall monitor and ensure Davis-Bacon wage compliance by general contractor(s), sub-contractors, sub-sub contractors, etc. (contractors), and shall ensure that all contracts and sub-contracts issued to any contractor on the project include Davis-Bacon requirements. Developers shall carefully review Davis-Bacon requirements with all contractors and sub-contractors on site on an on-going basis, shall appoint an experienced and qualified Davis-Bacon compliance officer to ensure compliance during the entire construction duration, and shall provide Davis-Bacon compliance reporting to County as it may require. Any costs incurred by the County due to Davis-Bacon noncompliance by the Developer and/or any of its contractors, shall be reimbursable to the County by the Developer.

Developer shall ensure that its contractors and their subcontractors are classifying workers properly whether for Davis-Bacon or Internal Revenue Code purposes and that they maintain proper documentation to support worker classification. In reviewing certified payrolls, PHCD will be alert to anomalies, and in such cases will consult with federal agencies such as the Internal Revenue Service, Department of Labor, and Department of Housing and Urban Development. Review of payroll records and/or similar documents by PHCD shall not relieve developers, contractors and subcontractors from ensuring Davis-Bacon Compliance and appropriate worker classification in accordance with all applicable requirements.

Failure to comply with Davis-Bacon wage rate or other federal required classification requirements will affect payments to Developer (refer to Section 6 Payment provisions).

(6) For preservation/rehabilitation projects, maximize the storage capacity (kitchen cabinets, closets including linear feet of shelves, pantry, vanity, etc.) for existing units as to not reduce existing capacity, whenever

possible.

(7) Unit layout:

Developer shall ensure unit design layout allocates proper circulation space and sustains suitable linear wall allocation for proper functioning and furniture layout.

(8) Appliances:

If existing appliances (such as refrigerator, range, ovens, washers, dryers, water heaters, etc.) are to be removed and replaced with new appliances, the Developer shall bear the cost of removal and relocating/moving the existing appliances to an offsite centralized location to be determined by the County. Developer shall secure the site during any removal and/or replacement of appliances, equipment, furnishings, etc. This work shall be carefully coordinated between Developer and the County.

(9) Recycled and Salvaged items:

The Developer is responsible to collect and deliver to the County Store all items in a Development site that are to be recycled. Appliances or furnishings going to the County Store or back to the County for its use are "recycled" items.

Recycled items include but are not limited to equipment, telephones, televisions, vacuum cleaners, fax machines, copiers, tools, all types of appliances, all furniture, etc. as directed by the County. The Developer shall contact the County Store representative and follow the following process for items that are directed to be delivered to the County Store:

a. Call County Store representative at 305-556-8106 at least a day in advance (preferably earlier) to notify them of the number of trucks and equipment/furnishings to be delivered, and provide them with an opportunity to prepare for the delivery. Deliveries of the equipment/furnishings by the Developer to the County Store (located at 980 West 84 Street, Hialeah, Florida) shall be scheduled between 7:30 and 10 am only, since they have to attend to walk-in customers the rest of the day. They don't accept drop-offs on Fridays, weekends or legal holidays

b. Developer shall complete all the information required on the attached Property Action Form. Please include the "Asset Tab # or Serial # of each equipment/furnishing, if available. If none can be found, indicate "N/A" in that column, and provide a detailed description of the equipment.

c. The County Store will not accept delivery of any chemicals; therefore if any item has a gas tank or other type of chemical container attached, the chemical container needs to be removed by the Developer prior to delivery.

(10) The County has retained an Energy Performance Contractor (EPC) to conduct an energy audit on all public housing sites and provide recommendations to implement energy efficient systems, components, etc. The Developer shall coordinate its work with the EPC, attend meetings with EPC and the County as necessary, submit its drawings and specifications for EPC review and incorporate EPC comments received into the design documents, unless this requirement is waived by the County.

Energy Saving Measures to be incorporated in the scope of work include, but may not be limited to the following:

1. Low-flow shower heads and faucet aerators
2. Low-flow toilets
3. Front-loading washers
4. Vending machine controls to turn off when not being used
5. Convert to natural gas from electric; however, utilize electric instant water heaters for energy savings and efficient space requirements
6. Install lighting controls in "common areas"
7. Upgrade exterior area and apartment lighting to include energy-saving fixtures/lamps.
8. Provide Energy Management System for common areas utilizing VAV HVAC system.
9. Use cooling tower heat pump system

(11) Energy Policy Act of 2005 , Sec. 179D

Developer shall work with the County to secure tax credits (if applicable, available and not detrimental to the project financing) payable to the County pursuant to Energy Policy Act of 2005, Section 179D, for energy retrofits applicable for public buildings where, the owner may allocate the deduction "only to the designer." The "designer" is defined as "an architect, engineer, contractor, environmental consultant or energy services provider who creates the technical specifications for a new building or an addition to an existing building that incorporates energy efficient commercial building property." The designer cannot claim the deduction without full signoff from the public building owner, the County.

xii. On preservation/rehabilitation projects, Developers shall not reduce the size of existing units in any material respect to obtain more units within the same building envelope or change the unit designation (family, elderly, mixed-population, etc.) without a written request and written approval from PHCD, provided that PHCD has provided Developer a written description of such unit designation.

xiii. Developer shall forward the drawings for preservation/rehabilitation and/or new construction to PHCD as these are developed for review, comment and approval, such approval not to be unreasonably withheld, withdrawn, or deleted.

xiv. Developer shall closely coordinate with PHCD and attend meetings with public housing residents as reasonably required to inform and receive input from residents on all aspects of the development plans. Developer shall give good faith consideration to incorporate input received from residents, in coordination with PHCD, as feasible and consistent with applicable codes, zoning, federal requirements, etc. PHCD will coordinate and schedule meetings with residents.

xv. Developer shall submit a detailed relocation plan ("**Relocation Plan**") for review and approval by PHCD, such approval will not be unreasonably withheld, withdrawn, or deleted. The Relocation Plan shall include appropriate notification and minimum disruption/convenience for residents, safety and provision of temporary housing as major considerations. Developer shall provide a "relocation coordinator" to plan, organize, implement and monitor all aspects of the Relocation Plan, closely coordinate all aspects required for relocation including phasing and duration, moving and storage of furnishings, transportation, meals, pets, mail, etc.

xvi. Developer shall provide to PHCD as supporting documentation such as Notice to Proceed (NTP) to contractors/sub-contractor, and Certificates of Occupancy or Completion, as applicable.

xvii. The Developer and its consultants shall carefully review all change orders, contingency adjustments and/or any other additional costs (herein change orders) to confirm that these are appropriate and to minimize said costs whenever possible. Such review shall include but not be limited to compliance with contract documents, the party requesting the change order, and the reason for such request (justification), hidden or unforeseen conditions, A/E error and/or omissions, critical path analysis for time extensions and other contract requirements.

When Change Orders involve time extensions, the Developer and its consultants shall also carefully review and confirm that these are appropriate and shall minimize wherever possible time extensions. Time extension reviews shall include an evaluation of the critical path analysis to confirm whether the time extension has impacted the Critical Path.

xviii. Consultant Coordination - Developer shall carefully review and coordinate the work of its consultants to minimize architect/engineer errors and omissions, and minimize any change orders, including additional costs and time extensions on the project. The County shall not approve additional costs/fees for A/E errors and omissions or any other costs/fees related to conditions which could have reasonably been discovered or should have been discovered with appropriate due diligence by the developer and/or its consultants, contractors or other vendors.

xix. The County may back-charge the Developer for any administrative costs it incurs for non-compliance by the Developer and/or its consultants, contractors or vendors. This includes, but is not limited to compliance with Davis-Bacon wages and Section 3 requirements.

xx. Award Letters. Upon receipt of any funding award, Developer shall provide to the County all award letters including from Florida Housing Finance Corporation (FHFC) and commitment letters from financial institutions.

xxi. HUD Disposition approval requirements - The approval requires that the disposition documents include a clause stipulating that if Developer fails to develop and operate the property as outlined in the disposition application for at least 40 years for the ACC units and 30 years for non-ACC unit, the lease will terminate. The evidentiary documents are subject to the review and approval of the HUD Miami HUB (and Field Counsel) and should contain the following provisions:

(1) The property shall be maintained for the approved use ("Use Restrictions") for a period of not less than 30 years (or a longer time as required by the HUD Public Housing Field Office) ("Use Period") from the date the use first commences;

(2) Use Restrictions shall be in a first priority position against the property (e.g. prior to any financing documents or other encumbrances) during the Use Period;

(3) The approved acquiring entity ("Owner") shall maintain ownership and operation of the property during the Use Period. The Owner shall not convey, sublease or transfer the Property without prior approval from PHCD and the Department at any point during the Use Period other than pursuant to customary transfer provisions;

(4) If the Owner fails to develop and use the property as outlined in the Department's Approval Documents at any point during the Use Period, subject to applicable notice and cure periods the ground lease shall terminate and all interests in the property shall automatically be vested in PHCD.

(5) If all property interests return to PHCD during the Use Period, PHCD shall immediately contact the Department to determine the future use of the Property and any necessary legal documentation (e.g. a Declaration of Trust) that must be recorded against the Property;

(6) PHCD is responsible for monitoring and enforcing the Use Restrictions during the Use Period.

(b) County's Responsibilities. As more specifically described herein, County is responsible for the following activities related to the Development (such list is not intended to be exhaustive):

i. Developing and submitting all necessary property disposition applications to HUD (provided that Developer shall have an opportunity to review and comment on the same prior to submission);

ii. Approving Owner Entity admissions and occupancy criteria and related property management documents such as the Public Housing lease and Community Policies, which approvals shall not be unreasonably withheld, delayed or conditioned;

iii. Reviewing, approving, and submitting the mixed finance proposal and evidentiaries to HUD;

iv. Providing all of the operating subsidy received from HUD relative to the PHA-Assisted Units on an annual basis and subject to any HUD pro-Ration or other HUD-generated subsidy adjustment (including those "add-ons," as described at 24 C.F.R. Part 990), except that the Developer shall pay to the County: (i) an amount equal to five percent (5%) of subsidy received if HUD proration is less than ninety-two percent (92%); (ii) an amount equal to six percent (6%) of subsidy received if HUD proration is between ninety-two percent (92%) and ninety-four and $^{99}/_{100}^{th}$ percent (94.99%); or (iii) an amount equal to seven percent (7%) of subsidy received if HUD proration is ninety-five percent (95%) or above;

v. Not used

vi. Coordinating with the residents, other stakeholders in the County and other stakeholders on Development-related issues; and

vii. Obtaining all necessary HUD approvals (including as related to disposition approvals, environmental approvals in accordance with 24 C.F.R. Part 50 or Part 58, mixed finance approvals), providing reports and maintaining communications with HUD. Notwithstanding the foregoing, the County will provide copies of all items to Developer prior to submission to HUD in order to permit the Developer to provide input and comment with respect to the same.

(c) Unit Management Software

i. The Developer must use PHCD's current system of record, Elite, for the purposes of entering re-certification data, HUD PIC submissions, and reporting. The Developer will be responsible for any associated software license, support, and training costs. PHCD will make the application available to the Developer and will be responsible for the user account management and security. PHCD will not provide any e-mail or telecommunications services and will not provide any technical support related to the Developer's information technology infrastructure, including but not limited to desktops, servers, routers, or related network connectivity. The Developer will also be responsible for any maintenance and development costs associated with any application or database interfaces to PHCD's current system of record.

5. Fees.

(a) Developer Fee. The parties agree to seek approval from HUD of the maximum allowable developer fee permitted by the Florida Housing Finance Corporation for the Development of eighteen percent (18%) in the budgeted amount set forth at Exhibit B hereto (if applicable), with respect to four (4%) Low-Income Housing Tax Credit transactions and sixteen percent (16%) with respect to nine percent (9%) Low-Income Housing Tax Credit transactions (in the budgeted amount set forth at Exhibit B hereto, if applicable), based upon satisfying the factors outlined and approved by HUD in order to exceed the Cost Control and Safe Harbor Standards for Rental Mixed Finance Development (the "**HUD Safe Harbor Standards**").

(b) Ground Lease and other Payments. The Developer or its subsidiary or designee agrees to pay an annual rental amount equal to $25,000 (increasing each year at 4% per year), payable out of fifty percent (50%) of the available (net) cash flow that is distributable to the managing member, after payment of any deferred developer fees. Any portion of the annual rental amount not paid in any given year, shall be deferred to the following year.

i. In addition, the Developer has applied for Affordable Housing Program (AHP) funds from the Federal Home Loan Bank of New York for Stirrup Plaza Phase Two in the amount of approximately $1,200,000 If Developer or its subsidiary or designee is awarded Affordable Housing Program (AHP) funds form the Federal Home Loan Bank of New York for Stirrup Plaza Phase Two, Developer also agrees to:

ii. Pay off the deferred developer fee, currently indicated in the pro-forma as $140,000, (which will allow the County to begin sharing annual cash flow upon stabilization).

iii. Pay down the first mortgage by up to $400,000, which will create approximately $11,000 in additional annual cash flow for the County.

iv. Pay the County a capitalized ground lease payment of up to $200,000.

v. Pay down the Documentary Surtax loan by up to $460,000

Developer or subsidiary shall provide written notice to the County of AHP award and corresponding amounts to be paid as per above schedule.

For Phase Two, no additional payment amounts shall be due after such lump sum payments.

6. Payment Provisions for County Funds (if applicable).

(a) Developer shall submit to the County, not more often than monthly, a payment request for County funds in a form and format acceptable to the County, for expenditures for the work completed and incurred.

(b) Each payment request shall be carefully reviewed and evaluated for accuracy, completeness and compliance with this agreement by Developer prior to its submission to the County. Each payment request shall identify, by line item and by reference to the corresponding element of the Budget, (a) the total costs to date incurred, (b) the corresponding portion of the compensation due to developer, if applicable (c) the amounts, if any, of previous payments, (d) the portion, if any, of such costs and/or fee for which a payment is requested under the payment request and any other provisions reasonably required (with reasonable advance notice) by the County. Each payment request shall be accompanied by separate billing statements or invoices from each consultant, sub-consultant, contractor or sub-contractor (herein vendors) to which payment has been made or will be made. The County shall not be required to make advance payments or deposits.

(c) Payment requests shall not be processed until a proper payment request (herein proper invoice) has been received by the County from the Developer. Proper invoice means an invoice which conforms to the payment requirements of the County. A proper invoice shall include a statement by Developer waiving claims for extra direct and indirect costs or time associated with work preceding the date of the invoice, or a statement in sufficient detail containing all rights reserved for work already performed. All present requirements or future rules pertaining to the execution of a proper invoice will be made available to Developer in a timely manner. Developer shall make payments to all vendors included in each respective payment request within five (5) business days of receipt of funds from the County. Developer shall include the provisions of this section in all sub-contracts, and require all vendors to include this provision in their contracts with other vendors.

(d) The time at which payment for service is due from the County shall be calculated from the date on which a proper invoice is received by the County. The time at which payment shall be due from the County to Developer shall be forty-five (45) days from receipt by the County of a proper invoice from the Developer. In any case in which an improper invoice is submitted by the developer, the County shall, within ten (10) days after the improper invoice is received, notify the Developer that the invoice is improper and indicate what corrective action on the part of the Developer is needed to make the invoice proper.

(e) Final payment shall not be made to the Developer until the Developer has resolved all pending Davis-Bacon wage rate compliance issues and restitution is made (or placed in escrow for unfound workers) to all workers determined by PHCD to be underpaid. At a minimum, an amount equal to the cost of all pending Davis-Bacon non-compliance issues shall be retained until such issues are resolved to PHCD's satisfaction.

(f) For non-County funds, Developer shall provide a report, in a form and format acceptable to County, indicating payment requests and approved amounts received by the developer for all funding sources and percentage of overall project completion. In addition, the Developer shall provide, on a monthly basis, a construction schedule and construction budget, with anticipated changes to the budget and schedule, along with a change order log, and Developer will meet with the County at the County's request, thirty days intervals, and frequency, to review

and discuss the monthly report. Any proposed changes will be subject to the approval provisions set forth in this Agreement.

7. Property Management Responsibilities.

(a) Designation of Property Manager. The initial property manager for each phase of the Development shall be TRG Management Company of Florida, an affiliate of Developer (the "**Management Agent**"). The Management Agent shall be responsible for the day to day operation of each phase of the Development including but not limited to compliance, collections, leasing, payment of invoices and maintenance. Specific duties shall be further detailed in the initial agreement between the Management Agent and the Owner Entity, such agreements subject to the County's reasonable approval (the "**Management Agreement**"). The designation of the County as a successor Management Agent, co-Management Agent or sub-Management Agent may be considered and negotiated by the parties, upon terms and conditions that are acceptable to the parties and subject to the approval of any investors and lenders.

(b) Admissions Policies. The parties agree that the occupancy will be carried out with respect to the Development as follows:

i. The Existing Residents shall have the right of first refusal to occupy PHA-Assisted Units in each phase of the Development once the scope of work described in this Agreement is complete with respect to such Phase, subject to screening by the Management Agent for low-income housing tax credit compliance and other agreed to screening criteria. The residents of the eighty-two unit building will have the right of first refusal to occupy Phase Two.

ii. Any vacancies to PHA-Assisted Units not filled by Existing Residents (either at initial occupancy or thereafter) will be filled by applicants who are referred from the County's waiting list, subject to screening by the Management Agent for low-income housing tax credit compliance. The parties agree that a site-based waiting list will not be used. The parties acknowledge and agree that the County's Admissions and Continued Occupancy Policy will be revised, as necessary, to reflect the foregoing and that a referral process will be formulated by the parties to ensure that lease-up occurs in a timely manner.

(c) Property Management Fee. The Management Agent shall receive a management fee equal to six percent (6%) of the effective gross income.

(d) Sub-Management Agreement. It is anticipated that the Management Agent may enter into a sub-management agreement (the "**Sub Management Agreement**") with the County, pursuant to which the County's management staff will carry out certain frontline management services on behalf of the Management Agent on terms and conditions to be agreed to between the parties. The Sub Management Agreement will be for a one (1) year term and will be subject to termination for cause or upon the termination of the Management Agreement.

8. Termination.

(a) Termination for Convenience. The County reserves the right to terminate this Agreement, in whole or in part, at any time for the convenience of the County, if the County shall determine in good faith that it is infeasible, in the County's best interest, or contrary to that interest to proceed with the Development. In the event of a termination for convenience under this Agreement, the County shall deliver to the Developer a Notice of Termination within thirty (30) days specifying the extent to which the performance of the work under this Agreement is terminated, and the date upon which such termination becomes effective. If the performance of the work under this Agreement is terminated in whole or in part, the County shall be liable to the Developer for reasonable and proper construction related costs only resulting from such termination, and shall not include any costs (direct or indirect) related to applications for funding/financing, and/or preparation of development strategies, and/or similar expenses. Within thirty (30) days of receipt of the Notice of Termination, the Developer shall present a proper claim setting out in detail: (i) the total cost of all third-party costs incurred to date of termination including architectural, engineering, and similar types of costs, and also including any loans from third parties); (ii) the cost (including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, or for settling other liabilities of Developer incurred in performance of its obligations hereunder; (iii) the cost of preserving and protecting the work already performed until the County or its assignee takes possession thereof or assumes responsibility and (iv) compensation to Developer for all tasks performed to date equal to thirty percent (30%) of projected developer fee if applicable financing has been secured. Within ninety (90) days of receipt of the claim from the Developer, the County shall either respond to the Developer's claim or make a final payment to the Developer in the event there is no dispute relative to Claim. Furthermore, the Developer may terminate this Agreement for infeasibility, but only to the extent the Developer first made good faith efforts to pursue an alternative course of action, and in such event, shall be limited to reimbursement for those costs as set forth in (i)-(iv) of this Article 8(a). In an event of a dispute regarding the claim, the parties hereto shall avail themselves of the dispute resolution process more fully described in Exhibit F, Paragraph I.

(b) Termination for Cause. Either Party may terminate this Agreement for cause, at any time, on the giving of notice to the other party of the grounds asserted for such termination and failure of the other Party to cure such grounds within thirty (30) days from receipt of such notice ("**Termination for Cause**"). Notwithstanding anything to the contrary contained herein, suspension from participation in any government programs, which suspensions, for the purposes hereof, are defined to include but not be limited to any sanctions imposed by HUD pursuant to 24 C.F.R. Part 24, shall be grounds for termination of this Agreement for cause without opportunity for cure. By execution of this Agreement, Developer hereby certifies to the County that it is not suspended, debarred or otherwise prohibited from participation in any government programs.

In the event of a termination of this Agreement by the County or the Developer which is determined to constitute a breach hereof by the County or the Developer, the party in breach shall be liable to the non-breaching party in accordance with applicable law for all actual damages caused thereby.

(c) Fraud, Misrepresentation or Material Misstatement. The County may terminate this Agreement if Developer attempts to meet its contractual obligations hereunder with the County through fraud, misrepresentation or material misstatement.

(d) Debarment. The foregoing notwithstanding, any individual, corporation or other entity that attempts to meet its contractual obligations with the County through fraud, misrepresentation or material misstatement may be debarred from County contracting for up to five (5) years in accordance with the County debarment procedures. The Developer may be subject to debarment for those reasons set forth in Section 10-38 of the County Code.

(e) Remedies. In the event that the County exercises its right to terminate this Agreement following an Event of Default, the Developer shall, upon receipt of such notice, unless otherwise directed by the County:

i. Stop work on the date specified in the notice (the "**Effective Termination Date**");

ii. Take such actions as may be necessary for the protection and preservation of the County's materials and property;

iii. Cancel orders;

iv. Upon payment by the County for such work product and payment of other amounts due in accordance with this Article 6, assign to the County and deliver to any location designated by the County any non-cancelable orders for Deliverables that are not capable of use except in the performance of this Agreement and has been specifically developed for the sole purpose of this Agreement and not incorporated in the Services; and

v. Take no voluntary action (unless otherwise required by legal obligations) which will increase the amounts payable by the County under this Agreement.

(f) Developer Shall Deliver Work Product in Event of Termination. In the event that this Agreement is terminated under this Article 6, Developer agrees that it shall promptly deliver to County, or cause to be delivered to County, any concrete, transferable, and useable third party work product generated in connection with the Development, and will assign to County all of its right, title, and interest to such work product, without reservation in exchange for County's payment of funds paid by Developer (including funds borrowed from third parties) for such work product, along with amounts due to the Developer hereunder. Developer shall be under no obligation to deliver any work product in its possession unless the County shall have reimbursed it for the cost thereof (and paid to the Developer any other amounts due hereunder) or shall have

agreed to offset the cost thereof against any indebtedness owing from the Developer to the County. No payment shall be due, however, if the Developer has committed fraud, misrepresentation, material misstatement, or on the event of Termination for Default as per Section 9.

(g) Automatic Termination. This Agreement shall automatically terminate at no cost to the County if:

1. The Developer is unable to secure funding and financing consistent with an approved Development Plan with terms and conditions (including payments to the County) acceptable to the County for Phase Two of the development within twenty-four (24) months of execution of this Agreement.

2. The Developer is unable to secure funding and financing consistent with an approved Development Plan with terms and conditions (including payments to the County) acceptable to the County for Phase Three within forty-eight (48) months of execution of this Agreement. Notwithstanding the Developer's inability to securing funding and financing for Phase Three, the Developer shall be obligated to comply with the terms and conditions of this Agreement as it relates solely to Phase Two.

Upon termination of this Agreement, the Developer shall have no further development rights to the undeveloped portion(s) of the site(s) under this Agreement, the Ground Lease Agreement or any other agreements. The Developer and the County shall coordinate and execute appropriate agreements, contracts or other applicable documents to return the undeveloped portions of the site to the County.

Notwithstanding the foregoing, failure to achieve financing shall not be deemed an "Event of Default" hereunder.

9. Event of Default.

(a) An Event of Default shall mean a breach of this Agreement by the Developer after expiration of any applicable notice and cure period without such cure. Without limiting the generality of the foregoing, and in addition to those instances referred to herein as a breach, an Event of Default shall include, but not limited to, the following:

i. the Developer has not delivered Deliverables on a timely basis;

ii. the Developer has made a Material Change to the Project Schedule without the County's approval;

iii. the Developer has refused or failed to supply enough properly skilled staff personnel;

iv. the Developer has failed to make prompt payment to subcontractors or suppliers for any Services;

v. the Developer has become insolvent (other than as interdicted by the bankruptcy laws), or has assigned the proceeds received for the benefit of the Developer's creditors, or the Developer has taken advantage of any insolvency statute or debtor/creditor law or if the Developer's affairs have been put in the hands of a receiver;

vi. the Developer has failed to obtain the approval of the County where required by this Agreement;

vii. the Developer has failed in the representation of any warranties stated herein;

viii. the Developer has failed to comply with the public records disclosure requirements set forth in Section 119.0701 of the Florida Statutes and Section 27 of this Agreement;

ix. the Developer has failed to comply with any and all UFAS requirements and obligations; and

x. The Developer has made a Material Change to the Project Budget without the County's approval.

(b) In the event the County shall terminate this Agreement for default, the County or its designated representatives may immediately take possession of all applicable equipment, materials, products, documentation, and reports after payment, if applicable.

(c) Notwithstanding the foregoing, this Agreement shall not be terminated for default if the delay in completing the work arises from unforeseeable causes beyond the reasonable control of the Developer (any such failure or other cause or event being referred to herein as a "**Force Majeure Event**"). Examples of such causes include (a) acts of God or the public enemy, (b) material acts or failure to act, or delays in action, of the County, HUD, or other governmental entity in either its sovereign or contractual capacity,(c) material acts or failure to act of another contractor (other than a contractor or subcontractor to the Developer or the Owner Entity) in the performance of a contract with the County, (d) fires, (e) floods, (f) strikes or labor disputes, (g) freight embargoes, (h) unavailability of materials, (i) unusually severe weather, (j) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without fault or negligence of both the Developer and the subcontractors or suppliers, or (k) delay caused-by litigation that is not between the County and the Developer.

10. **Notice of Default – Opportunity to Cure.** Notwithstanding anything in this Agreement to the contrary, if an Event of Default occurs in the determination of the County and the County wishes to declare an Event of Default or otherwise terminate this Agreement for cause to the extent, as provided under this Agreement, the County shall notify the Developer ("Default Notice"), specifying the basis for such default and the extent to which performance of work under this Agreement is terminated, and advising the Developer that such default must be cured immediately or this Agreement with the County may be terminated. If the termination is stated to be for default, the Default Notice thereof shall specify the nature of the claimed default and, if such default shall be reasonably subject to adequate cure, the Default Notice shall state (i) the actions required to be taken by the Developer to cure the default , and (ii) the

reasonable time (up to sixty (60) days) within which Developer shall respond with a showing that all required actions have been taken, provided that the Developer shall have, subject to the County's approval, not to be unreasonably withheld conditioned or delayed, such additional time as is reasonably necessary to cure such default so long as the Developer has diligently commenced and is proceeding in a reasonable diligent matter toward curing such default. During any cure period so provided, the Developer shall proceed diligently with performance of any work required by this Agreement which is not the subject of the claimed default. Following expiration of the stated cure period, the Authority shall deliver a second notice stating either that the default has been adequately cured or that the Agreement is terminated. The County shall grant an additional period of such duration as the County shall reasonably deem appropriate without waiver of any of the County's rights hereunder, so long as the Developer has commenced curing such default and is effectuating a cure with diligence and continuity during such sixty (60) day period or any other period which the County prescribes. The Default Notice shall specify the date the Developer shall discontinue the Services upon the Termination Date.

11. **Remedies in the Event of Default.** If an Event of Default occurs and remains uncured pursuant to Article 9 herein, the Developer shall be liable for all damages to the County resulting from such Event of Default. The Developer shall also remain liable for any liabilities and claims related to the Developer's default. The County may also bring any suit or proceeding for specific performance or for an injunction.

12. **Lien Waivers**. Developer agrees that it will not permit any mechanic's, material men's or other liens to stand against the Premises for work or materials furnished to Developer it being provided, however, that Developer shall have the right to contest the validity thereof. Developer shall not have any right, authority or power to bind the County, the Premises or any other interest of the County in the Premises and will pay or cause to be paid all costs and charges for work done by it or caused to be done by it, in or to the Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Improvements or any change, alteration or addition thereto. IN THE EVENT THAT ANY MECHANIC'S LIEN SHALL BE FILED, DEVELOPER SHALL BOND OVER, PROCURE THE RELEASE OR DISCHARGE THEREOF WITHIN NINETY (90) DAYS EITHER BY PAYMENT OR IN SUCH OTHER MANNER AS MAY BE PRESCRIBED BY LAW. NOTICE IS HEREBY GIVEN THAT THE COUNTY SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO THE DEVELOPER OR TO ANYONE HOLDING ANY OF THE PREMISES THROUGH OR UNDER THE DEVELOPER, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF THE COUNTY IN AND TO ANY OF THE PREMISES. THE COUNTY SHALL BE PERMITTED TO POST ANY NOTICES ON THE PREMISES REGARDING SUCH NON-LIABILITY OF THE COUNTY.

Developer shall promptly pay all persons or entities furnishing labor and material with respect to any work performed by Developer or its contractor on or about the Premises, and shall obtain and deliver to Landlord "releases" or waivers of liens from all parties doing work on or about the Premises, along with an affidavit from Developer stating that all bills have been paid with regard to such work and that there are no outstanding obligations, except in the ordinary course of business, owed with respect to any such work performed on the Premises.

13. Indemnification.

(a) Developer Indemnity. The Developer shall indemnify and hold harmless the County and its officers, employees, agents and instrumentalities from any and all liability, losses, or damages, including reasonable attorney fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement by the Developer or its employees, agents, servants, partners, principals or subcontractors, subject to the following sentence. The Developer shall pay all the County's losses in connection therewith, provided Developer is adjudicated liable ,and shall investigate and defend all claims, suits, or actions of any kind or nature in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. The Developer expressly understands and agrees that any insurance protection required by the Agreement or otherwise provided by the Developer shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as herein provided. Notwithstanding anything to the contrary herein, such indemnification by Developer shall not cover claims or losses to the extent caused solely by the County's gross negligence or intentional wrongful acts or omissions.

(b) County Responsibility. The County shall indemnify and hold harmless the Developer and its affiliates, subsidiaries, officers, agents, employees, representatives, successors and assigns from any and all liability, losses, or damages, including reasonable attorney fees and costs of defense, which the Developer or its affiliates, subsidiaries, officers, agents, employees, representatives, successors and assigns may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement by the County or officers, employees, agents and instrumentalities. The County shall pay all claims and losses in connection therewith, and shall investigate and defend all claims, suits, or actions of any kind or nature in the name of the Developer, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. The County's indemnification obligations in this Article 12(b) shall be subject to the provisions of Section 768.28, Fla. Stat., whereby the County shall not be liable to pay a personal injury or property damage claim or judgment by any one person which exceeds the sum of Two Hundred Thousand and No/100 Dollars ($200,000.00), or any claim or judgments or portion thereof, which when totaled with all other occurrence, exceeds the sum of Three Hundred Thousand and No/100 Dollars ($300,000.00), but only to the extent the limitations set forth in that Statute are applicable. Notwithstanding anything to the contrary herein, such indemnification by Miami-Dade County shall not cover claims or losses to the extent caused solely by the Developer's gross negligence or intentional wrongful acts or omissions.

14. Insurance.

The Developer shall maintain coverage as required in A - C below throughout the term of this agreement. If any portions of this Agreement are assigned, insurance must be provided in the name of the assignee. If material changes are made to the scope, it may be necessary to amend the insurance requirements. The Developer shall furnish to Miami-Dade County, Public Housing and Community Development Department, 701 NW 1 CT. 16th floor, Miami, Florida 33136-3914, Certificate(s) of Insurance evidencing insurance coverage that meets the requirements outlined below:

A. Worker's Compensation Insurance as required by Chapter 440, Florida Statutes.

B. Commercial General Liability Insurance on a comprehensive basis in an amount not less than $1,000,000 per occurrence for Bodily Injury and Property Damage combined. Miami-Dade County must be shown as an additional insured with respect to this coverage.

C. Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with this agreement in an amount not less than $500,000 per occurrence for Bodily Injury and Property Damage combined.

Design Stage

In addition to the insurance required in A – C above, a certificate of insurance must be provided as follows:

D. Professional Liability Insurance in the name of the Developer or the licensed design professional employed by the Developer in an amount not less than $1,000,000 per claim.

Construction Phase

In addition to the insurance required in A – D above, the Developer shall provide or cause its contractors to provide policies indicating the following type of insurance coverage prior to commencement of construction:

E. Completed Value Builders' Risk Insurance on a "special causes of loss" form in an amount not less than one hundred (100%) percent of the insurable value of the building(s). The Policy will name Miami-Dade County as a Loss Payee A.T.I.M.A.

Operation Phase

In addition to the insurance required in A – C above, the following coverage may be required:

F. Property Insurance Coverage on a "special causes of loss" form in an amount not less than one hundred (100%) percent of the replacement cost of the building(s). Miami-Dade County must be named a Loss Payee with respect to this coverage.

Continuity of Coverage

The Developer shall be responsible for assuring that the insurance documentation required in conjunction with this subsection remain in force for the duration of the agreement period, including any and all option years. The Developer will be responsible for submitting renewal insurance documentation prior to expiration.

All insurance policies required above shall be issued in companies authorized to do business under the laws of the State of Florida, with the following qualifications as to management and financial strength:

The company must be rated no less than "A-" as to management, and no less than "Class VII" as to strength, by A.M. Best Company, Oldwick, New Jersey.

15. Agreement Security.

Upon request by the County, but in no event earlier than the Financial Closing of each phase, the Developer shall cause its General Contractor to deliver to the County an executed Performance and Payment Bond on the prescribed form or in Cash (with the County as an additional obligee). The Performance and Payment Bond shall be in the amount of 100% of the construction cost of the Project, as security for the performance of this Agreement and for the payment of all persons performing labor or furnishing materials in connection therewith. If Cash is used in lieu of the bonds, all terms and conditions stipulated in the bonds shall be just as applicable. The Performance and Payment Bonds shall have as the surety thereon only such surety company or companies as are acceptable to the County and are authorized to write bonds of such character and amount in accordance with the following qualifications:

(a) All bonds shall be written through surety insurers authorized to do business in the State of Florida as surety, with the following qualifications as to management and financial strength according to the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey:

Bond Amount	Best Rating
i. $ 500,001 to $1,500,000	B V
ii. $1,500,001 to $2,500,000	A VI
iii. $2,500,001 to $5,000,000	A VII
iv. $5,000,001 to $10,000,000	A VIII
v. Over $10,000,000	A IX

(b) On contract amounts of $500,000 or less, the bond provisions of Section 287.0935, Florida Statutes shall be in effect and surety companies not otherwise qualifying with this paragraph may optionally qualify by:

i. Providing evidence that the Surety has twice the minimum surplus and capital required by the Florida Insurance Code at the time the invitation to bid is issued.

ii. Certifying that the Surety is otherwise in compliance with the Florida Insurance Code, and;

iii. Providing a copy of the currently valid Certificate of Authority issued by the United States Department of the Treasury under ss. 31 U.S.C. §§ 9304-9308.

(c) Surety insurers shall be listed in the latest Circular 570 of the U.S. Department of the Treasury entitled "Surety Companies Acceptable on Federal Bonds", published annually. The bond amount shall not exceed the underwriting limitations as shown in this circular.

(d) For contracts in excess of $500,000 the provision of Section (b) will be adhered to plus the company must have been listed for at least three consecutive years, or holding a valid Certificate of Authority of at least 1.5 million dollars and on the Treasury List.

(e) Surety Bonds guaranteed through U.S. Government Small Business Administration or Developers Training and Development Inc. will also be acceptable.

(f) The attorney-in-fact or other officer who signs performance and payment bonds for a surety company must file with such bond a certified copy of his power of attorney authorizing him to do so. The performance and payment bonds must be counter signed by the surety's resident Florida agent.

The Performance Bond or Cash used in lieu of the Performance Bond shall remain in force for one (1) year from the date of final acceptance of the work to protect the County against losses resulting from defects in materials or improper performance of work under the Agreement; provided however, that this limitation does not apply to suits seeking damages for latent defects in materials or workmanship, such actions being subject to the limitations found in Section 95.11(3)(c), Florida Statutes.

16. Compliance with Public Housing Requirements.

(a) Treatment of HUD Funds. Any transfer of public housing funds pursuant to this Agreement will not be an assignment of public housing funds or be deemed an assignment of public housing funds. Developer will not succeed to any rights or benefits County may have under the applicable grant agreements or contracts with HUD or attain any privilege, authority, interest, or right under applicable grant agreements or contracts between the County and HUD. Nothing contained in this Agreement will be construed to create any relationship of third party beneficiary or otherwise with HUD.

(b) Development Obligations. Developer shall provide development services in accordance with this Agreement. Developer shall perform the duties and undertake the responsibilities herein set forth in a competent and professional manner using good faith reasonable efforts. The Developer is an independent contractor and not an agent of the County. Therefore, except as may be expressly set forth herein, Developer shall have no authority to bind County. Except as expressly set forth herein, Developer will provide all services, equipment, and materials for Developer and will furnish, directly or through contractors, subcontractors, professional expertise, management, labor, materials, supplies, fixtures, equipment, tools and machinery, testing,

supervision, facilities, and other services required for the completion of the Development.

(c) Reporting Requirements. Pursuant to Sections 2-8.1, 2-8.8 and 10.34 of the Code of Miami-Dade County (as amended by Ordinance No. 11-90), the Developer must report to the County the race, gender and ethnic origin of the owners and employees of its first tier subcontractors using the Subcontractor/Supplier Listing form, attached hereto as Exhibit E. In the event that the Developer demonstrates to the County that the race, gender and ethnic information is not reasonably available at that time, the Developer shall be obligated by this Agreement to exercise commercially reasonable efforts to obtain that information and to provide the same to the County not later than ten (10) business days after it becomes available and, in any event, prior to final payment this Agreement.

(d) Compliance with Laws and other Requirements. Developer shall fully comply with all applicable laws and regulations applicable to Developer with respect to workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions, licensing and other employer-employee related matters, including, without limitation, all laws, rules and regulations with respect to non-discrimination based on race, sex or otherwise, and MBE/WBE, and Section 3 of the Housing and Urban Redevelopment Act of 1968, as more fully described in Exhibit F, Applicable HUD General Conditions for Construction Contracts, which is incorporated herein by reference. Developer will further comply with all applicable public housing requirements.

17. Warranties.

(a) Developer's Warranties. Developer represents and warrants to the County that (a) Developer is and will continue to be duly organized, and is in good standing under the laws of and qualified to do business in the State of Florida, (b) Developer has and will have all necessary power, authority, licenses and staff resources for the undertaking of its obligations under this Agreement, (c) this Agreement has been duly entered into and is the legally binding obligation of Developer, (d) this Agreement will not violate any judgment, law, or agreement to which Developer is a party or is subject, and (e) there is no claim pending, or to the best knowledge of Developer, threatened, that would impede Developer's ability to perform its obligation hereunto. Developer shall not hereafter enter into any agreement which would, or modify any existing agreement in a manner that would, impair its ability to perform its obligations hereunder, and will notify the County if any suit is threatened or law proposed which would impair its ability to perform its obligations hereunder.

(b) County's Warranties. The County represents and warrants to Developer that (a) the County has and will have all necessary power and authority under Florida law for the undertaking of its obligations under this Agreement, (b) this Agreement has been duly entered into and is the legally binding obligation of the County, (c) this Agreement will not violate any judgment, law, consent

decree, or agreement to which the County is a party or is subject to and will not violate any law or ordinance under which the County is organized, (d) there is no claim pending, or to the best knowledge of the County, threatened, that is likely to materially impede the County's ability to perform its obligation hereunto. The County shall not hereafter enter into any agreement or consent decree which would, or modify any existing agreement or consent decree in a manner that would impair its ability to perform its obligations hereunder, and will notify Developer if any suit is threatened or law proposed which would materially impair its ability to perform its obligations hereunder.

18. **Term.** This Agreement shall begin upon execution hereof, and shall expire upon the completion of all the activities described herein, unless sooner terminated in accordance with the terms provided herein. With respect to specific activities for each phase, failure to comply with this Agreement shall constitute a default against the Developer (subject to notice and cure provisions described herein).

19. **County's Sovereignty.** It is expressly understood that, subject to the other provisions of this Agreement:

(a) The County retains all of its sovereign prerogatives and rights as a county under Florida laws and shall in no way be estopped from reasonably withholding or refusing to issue any approvals of applications for building, zoning, planning or development under present or future laws and regulations of whatever nature applicable to the planning, design, construction and development of the Development or the operation thereof, or be liable for the same; and

(b) The County shall not by virtue of this Agreement be obligated to grant the Developer any approvals of applications for building, zoning, planning or development under present or future laws and ordinances of whatever nature applicable to the planning, design, construction, development and/or operation of the Development.

20. **Option and Right of First Refusal.** The County shall have the option and right of first refusal to purchase the Development at the end of the tax credit compliance period for an amount equal to all transfer fees, costs, expenses and taxes related to the purchase plus the lesser of: (i) the fair market value of the property, but in no event less than any operating deficit loans of any member and any taxes that are projected to be owed by any member as a result of such sale); and (ii) with respect to a right of first refusal, the lowest price that is permitted under Section 42(i)(7) of the Internal Revenue Code of 1986, as amended plus any operating deficit loans of any member and any taxes that are projected to be owed by any member as a result of such sale.

21. **No Liability for Exercise of Police Power.** Subject to any contrary provision in this Agreement, or any County covenant or obligation that may be contained in this Agreement, the County shall have no obligation, including but not limited to the following:

(a) To assist the Developer in applying for any county, city or third party permit or needed approval; or

(b) To contest, defend against, or assist the Developer in contesting or defending against any challenge of any nature; and, except as otherwise set forth in this Agreement, this Agreement shall not bind the County Board, the Permitting, Environment and Regulatory Affairs Department, other applicable County departments, or their successor departments, or any other county, city, federal or state department or authority, committee or agency to grant or leave in effect any zoning changes, variances, permits, waivers, contract amendments, or any other approvals that may be granted, withheld or revoked in the discretion of the County or any other applicable governmental agencies in the exercise of its police power; and, except as otherwise set forth in this Agreement, the County shall be released and held harmless, by the Developer from and against any liability, responsibility, claims, consequential or other damages, or losses to the Developer or to any third parties resulting from denial, withholding or revocation (in whole or in part) of any zoning or other changes, variances, permits, waivers, amendments, or approvals of any kind or nature whatsoever. Without limiting the foregoing, the parties recognize that the approval of any building permit and/or certificate of occupancy will require the County to exercise its quasi-judicial or police powers. Without limiting any other provision of this Agreement, the County shall have no obligation to approve, in whole or in part, any application for any type of permit, license, zoning or any other type of matter requiring government approval or waiver. The County's obligation to use reasonable good faith efforts in the permitting of the use of County owned property regarding the Premises shall not extend to any exercise of quasi-judicial or police powers, and shall be limited solely to ministerial actions, including the timely acceptance and processing of any requests or inquiries by the Developer as authorized by this Agreement. Moreover, in no event shall a failure of the County to adopt any of the Developer or Owner Entity's request or application for any type of permit, license, zoning or any other type of matter requiring government approval or waiver be construed a breach or default of this Agreement, unless such failure was unreasonable or untimely or in direct contravention to another provision of this Agreement.

22. Vendor Registration and Forms/Conflict of Interest.

(a) Vendor Registration. The Developer shall be a registered vendor with the County's Internal Services Department. Procurement Management Division, for the duration of this Agreement. In becoming a Registered Vendor with Miami-Dade County, the Developer confirms its knowledge of and commitment to comply with the following:

i. *Miami-Dade County Ownership Disclosure Affidavit* (Section 2-8.1 of the County Code)

ii. *Miami-Dade County Employment Disclosure Affidavit (Section 2.8-1(d)(2) of the County Code)*

iii. *Miami-Dade Employment Drug-free Workplace Certification (Section 2-8.1.2(b) of the County Code)*

iv. *Miami-Dade Disability and Nondiscrimination Affidavit (Section 2-8.1.5* of the County Code*)*

v. *Miami-Dade County Debarment Disclosure Affidavit (Section 10.38 of the County Code)*

vi. *Miami-Dade County Vendor Obligation to County Affidavit (Section 2-8.1 of the County Code)*

vii. *Miami-Dade County Code of Business Ethics Affidavit (Section 2-8.1(i) and 2-11(b)(1) of the County Code through (6) and (9) of the County Code and Section 2-11.1(c) of the County Code)*

viii. *Miami-Dade County Family Leave Affidavit (Article V of Chapter 11 of the County Code)*

ix. *Miami-Dade County Living Wage Affidavit (Section 2-8.9 of the County Code)*

x. *Miami-Dade County Domestic Leave and Reporting Affidavit (Article 8, Section 11A-60 11A-67 of the County Code)*

xi. *Subcontracting Practices (Ordinance 97-35)*

xii. *Subcontractor /Supplier Listing (Section 2-8.8 of the County Code)*

xiii. *Environmentally Acceptable Packaging (Resolution R-738-92)*

xiv. *W-9 and 8109 Forms* (as required by the Internal Revenue Service)

xv. *FEIN Number or Social Security Number.* In order to establish a file, the Developer's Federal Employer Identification Number (FEIN) must be provided. If no FEIN exists, the Social Security Number of the owner or individual must be provided. This number becomes Developer's "County Vendor Number". To comply with Section 119.071(5) of the Florida Statutes relating to the collection of an individual's Social Security Number, be aware that the County requests the Social Security Number for the following purposes:

(1) Identification of individual account records

(2) To make payments to individual/Developer for goods and services provided to Miami-Dade County

(3) Tax reporting purposes

(4) To provide a unique identifier in the vendor database that may be used for searching and sorting departmental records

xvi. *Office of the Inspector General* (Section 2-1076 of the County Code)

xvii. *Small Business Enterprises.* The County endeavors to obtain the participation of all small business enterprises pursuant to Sections 2-8.2, 2-8.2.3 and 2-8.2.4

of the County Code and Title 49 of the Code of Federal Regulations.

xviii. *Antitrust Laws*. By acceptance of any contract, the Developer agrees to comply with all antitrust laws of the United States and the State of Florida.

(1) Conflict of Interest. Section 2-11.1(d) of Miami-Dade County Code requires that any County employee or any member of the employee's immediate family who has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County, competing or applying for a contract, must first request a conflict of interest opinion from the County's Commission on Ethics and Public Trust ("Ethics Commission") prior to their or their immediate family member's entering into any contract or transacting any business through a firm, corporation, partnership or business entity in which the employee or any member of the employee's immediate family has a controlling financial interest, direct or indirect, with Miami-Dade County or any person or agency acting for Miami-Dade County. Any such contract or business engagement entered in violation of this subsection, as amended, shall be rendered voidable. For additional information, please contact the Ethics Commission hotline at (305) 579-2593. Further the Developer shall comply with Section 1352 of Title 31 of the United States Code, which prohibits the use of Federal appropriated funds to pay any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, loan, or cooperative agreement. The Developer further agrees to comply with the requirement of such legislation to furnish a disclosure (OMB Standard Form LLQ) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, in connection with a Federal contract, grant, loan, or cooperative agreement, which payment would be prohibited if made from Federal appropriated funds. The Developer represents that:

- No officer, director, employee, agent, or other consultant of the County or a member of the immediate family or household of the aforesaid has directly or indirectly received or been promised any form of benefit, payment or compensation, whether tangible or intangible, in connection with the award of this Agreement.

- There are no undisclosed persons or entities interested with the Developer in this Agreement. This Agreement is entered into by the Developer without any connection with any other entity or

person making a proposal for the same purpose, and without collusion, fraud or conflict of interest. No elected or appointed officer or official, director, employee, agent or other consultant of the County, or of the State of Florida (including elected and appointed members of the legislative and executive branches of government), or a member of the immediate family or household of any of the aforesaid:

- is interested on behalf of or through the Developer directly or indirectly in any manner whatsoever in the execution or the performance of this Agreement, or in the services, supplies or work, to which this Agreement relates or in any portion of the revenues; or

- is an employee, agent, advisor, or consultant to the Developer or to the best of the Developer's knowledge any subcontractor or supplier to the Developer.

- Neither the Developer nor any officer, director, employee, agency, parent, subsidiary, or affiliate of the Developer shall have an interest which is in conflict with the Developer's faithful performance of its obligation under this Agreement; provided that the County, in its sole discretion, may consent in writing to such a relationship, provided the Developer provides the County with a written notice, in advance, which identifies all the individuals and entities involved and sets forth in detail the nature of the relationship and why it is in the County's best interest to consent to such relationship.

- The provisions of this Article are supplemental to, not in lieu of, all applicable laws with respect to conflict of interest. In the event there is a difference between the standards applicable under this Agreement and those provided by statute, the stricter standard shall apply.

In the event Developer has no prior knowledge of a conflict of interest as set forth above and acquires information which may indicate that there may be an actual or apparent violation of any of the above, Developer shall promptly bring such information to the attention of the County's Project Manager. Developer shall thereafter cooperate with the County's review and investigation of such information, and comply with the instructions Developer receives from the Project Manager in regard to remedying the situation.

23. **Interest of Members of Congress.** No Member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.

24. **Interest of Members, Officers, or Employees and Former Members, Officers, or Employees.** No member, officer, or employee of the County, no member of the governing

body of the locality in which the project is situated, no member of the governing body of the locality in which the County was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this Agreement or the benefits to arise therefrom.

25. **Upon Written Notice to the Developer from the Inspector General or IPSIG Retained by the Inspector Employee of the County.** No member, officer, or employee of the County, no member of the governing body of the County, no member of the governing body by which the County was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Development shall, during his or her tenure, or for two year thereafter or such longer time as the County's Code of Ethics may reasonably require, have any interest, direct or indirect, in this Agreement or the proceeds thereof, unless the conflict of interest is waived by the County and by HUD.

26. **Inspector General Reviews.** Pursuant to Miami-Dade County Administrative Order 3-20, the County has the right to retain the services of an Independent Private Sector Inspector General (hereinafter "**IPSIG**"), whenever the County deems it appropriate to do so. Upon written notice from the County, the Developer shall make available to the IPSIG retained by the County, all requested records and documentation pertaining to this Agreement for inspection and reproduction. The County shall be responsible for the payment of these IPSIG services, and under no circumstance shall the Developer's prices and any changes thereto approved by the County, be inclusive of any charges relating to these IPSIG services. The terms of this provision apply to the Developer, its officers, agents, employees, subcontractors and assignees. Nothing contained in this provision shall impair any independent right of the County to conduct an audit or investigate the operations, activities and performance of the Developer in connection with this Agreement. The terms of this Article shall not impose any liability on the County by the Developer or any third party.

(a) ***Miami-Dade County Inspector General Review.*** According to Section 2-1076 of the Code of Miami-Dade County, Miami-Dade County has established the Office of the Inspector General which may, on a random basis, perform audits on all County contracts, throughout the duration of said contracts, except as otherwise provided below. The cost of the audit for this Contract shall be one quarter (1/4) of one (1) percent of the total contract amount which cost shall be included in the total contract amount. The audit cost will be deducted by the County from progress payments to the Developer. The audit cost shall also be included in all change orders and all contract renewals and extensions.

i. Exception: The above application of one quarter (1/4) of one percent fee assessment shall not apply to the following contracts: (a) IPSIG contracts; (b) contracts for legal services; (c) contracts for financial advisory services; (d) auditing contracts; (e) facility rentals and lease agreements; (f) concessions and other rental agreements; (g) insurance contracts; (h) revenue-generating contracts; (I) contracts where an IPSIG is assigned at the time the contract is approved by the Commission; (j) professional service agreements under $1,000; (k) management agreements; (l) small purchase orders as defined in Miami-Dade County Administrative Order 3-2; (m) federal, state and local government-funded grants; and (n) interlocal agreements. ***Notwithstanding the***

foregoing, the Miami-Dade County Board of County Commissioners may authorize the inclusion of the fee assessment of one quarter (1/4) of one percent in any exempted contract at the time of award.

Nothing contained above shall in any way limit the powers of the Inspector General to perform audits on all County contracts including, but not limited to, those contracts specifically exempted above. The Miami-Dade County Inspector General is authorized and empowered to review past, present and proposed County and Public Health Trust contracts, transactions, accounts, records and programs. In addition, the Inspector General has the power to subpoena witnesses, administer oaths, require the production of records and monitor existing projects and programs. Monitoring of an existing project or program may include a report concerning whether the project is on time, within budget and in conformance with plans, specifications and applicable law. The Inspector General is empowered to analyze the necessity of and reasonableness of proposed change orders to the Agreement. The Inspector General is empowered to retain the services of independent private sector inspectors general (IPSIG) to audit, investigate, monitor, oversee, inspect and review operations, activities, performance and procurement process, including but not limited to project design, specifications, proposal submittals, activities of the Developer, its officers, agents and employees, lobbyists, County General, the Developer shall make all requested records and documents available to the Inspector General or IPSIG for inspection and copying. The Inspector General and IPSIG shall have the right to inspect and copy all documents and records in the Developer's possession, custody or control which, in the Inspector General's or IPSIG's sole judgment, pertain to performance of the contract, including, but not limited to original estimate files, change order estimate files, worksheets, proposals and agreements form and which successful and unsuccessful subcontractors and suppliers, all project-related correspondence, memoranda, instructions, financial documents, construction documents, proposal and contract documents, back-charge documents, all documents and records which involve cash, trade or volume discounts, insurance proceeds, rebates, or dividends received, payroll and personnel records, and supporting documentation for the aforesaid documents and records.

27. **Florida Public Records Act.** As it relates to this Agreement and any subsequent agreements and other documents related to the Development, the Developer and any of its subsidiaries, pursuant to Section 119.0701 of the Florida Statutes, shall:

(a) Keep and maintain public records that ordinarily and necessarily would be required by the County in order to perform the service;

(b) Provide the public with access to public records on the same terms and conditions that the County would provide the records and at a cost that does not exceed the cost provided in the Florida Public Records Act, Miami-Dade County Administrative Order No. 4-48, or as otherwise provided by law;

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and

(d) Meet all requirements for retaining public records and transfer to the County, at no County cost, all public records created, received, maintained and/or directly related to the performance of this Agreement that are in possession of the Developer upon termination of this Agreement. Upon termination of this Agreement, the Developer

shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the County in a format that is compatible with the information technology systems of the County.

For purposes of this Section 27, the term "public records'" shall mean all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business of the County.

In the event the Developer does not comply with the public records disclosure requirements set forth in Section 119.0701 of the Florida Statutes and this Section 27 of this Agreement, the County shall avail itself of the remedies set forth in Sections 10 and 11 of this Agreement.

28. **Notices.** All notices, requests, approvals, demands and other communications given hereunder or in connection with this Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows (provided, that any time period for responding to any such communication shall not begin to run until such communication is actually received or delivery is refused):

If to County: Miami-Dade County
c/o Miami-Dade Public Housing and Community Development
701 N.W. 1st Court, 16th Floor
Miami, FL 33136
Attn: Michael Liu, Director

With a Copy to: Miami-Dade County Attorney's Office
111 N.W. 1st Street, Suite 2810
Miami, FL 33128
Attn: Terrence A. Smith, Esq.

If to Developer: RUDG, LLC
c/o Related Urban
315 S. Biscayne Blvd., 4th Floor
Miami, FL 33131
Attn: Albert Milo, Jr., Principal/Senior Vice President

If to Owner Entity: Stirrup Plaza Phase Two, LLC
c/o Related Urban
315 S. Biscayne Blvd., 4th Floor
Miami, FL 33131
Attn: Alberto Milo, Jr.

With a Copy to: Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 W. Flagler Street, Suite 2200
Miami, FL 33130
Attn: Brian McDonough, Esq.

29. **Further Assurances.** Each party shall execute such other and further documents as may be reasonably necessary or proper for the consummation of the transaction contemplated by this Agreement as mutually agreed by the Parties hereto.

30. **Assignment.** This Agreement shall not be assignable by either party, except by the Developer to the Owner Entities as contemplated herein or upon written consent of the other party.

31. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.

32. **Interpretation and Governing Law.** This Agreement shall not be construed against the party who prepared it but shall be construed as though prepared by both Parties. This Agreement shall be construed, interpreted, and governed by the laws of the State of Florida.

33. **Severability.** If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable such portion shall be deemed severed from this Agreement and the remaining parts shall continue in full force as though such invalid or unenforceable provision had not been part of this Agreement.

34. **Parties Bound.** No officer, director, shareholder, employee, agent, or other person authorized to act for and on behalf of any party hereto shall be personally liable for any obligation, express or implied.

35. **Final Agreement.** Unless otherwise provided herein, this Agreement constitutes the final understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the Parties, and except for those agreements contemplated herein. This Agreement may be amended, supplemented or changed only by a writing signed or authorized by or on behalf of the party to be bound thereby. Notwithstanding the foregoing, the parties acknowledge the Stirrup Plaza Phase Two Ground Lease expressly survives the terms hereof.

36. **Modification of Agreement.** This Agreement may be amended by mutual agreement of the County and Developer, not to be unreasonably withheld, subject to prior written approval by HUD (if required) and provided that all amendments must be in writing and signed by both parties and that no amendment shall impair the obligations of the County or Developer to develop and operate the Public Housing Units in accordance with all applicable public housing requirements and the ground leases, as applicable. This Agreement may not be altered, modified, rescinded, or extended orally.

37. **Waivers.** The failure of any party to insist in any one or more cases upon the strict performance of any of the obligations under this Agreement or to exercise any right or remedy herein contained shall not be construed as a waiver or a relinquishment for the future of such obligation, right or remedy. No waiver by any party of any provision of this Agreement shall be deemed to have been made unless set forth in writing and signed by the party to be charged.

38. **Successors.** The terms, covenants, agreements, provisions, and conditions contained herein shall bind and inure to the benefit of the Parties hereto, their successors and assigns.

39. **Certain Approvals and Reasonableness Standard.** Unless otherwise stated, all approvals or consents required of either party hereunder shall not be unreasonably withheld, conditioned or

delayed and each party shall endeavor to act reasonably with respect to activities under this Agreement.

40. **Headings.** The headings in this Agreement are inserted for convenience only and shall not be used to define, limit or describe the scope of this Agreement or any of the obligations herein.

41. **Construction.** Whenever in this Agreement a pronoun is used, it shall be construed to represent either the singular or the plural, either the masculine or the feminine, as the case shall demand.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed this _____ day of _____, 2014.

RUDG, LLC

By:_____

MIAMI-DADE COUNTY

By:_____
Name:
Its

HARVEY RUVIN, Clerk

Attest:_____
Deputy Clerk

Approved as to form and legal sufficiency

By:_____
Terrence A. Smith
Assistant County Attorney

Exhibit A

Site Plan

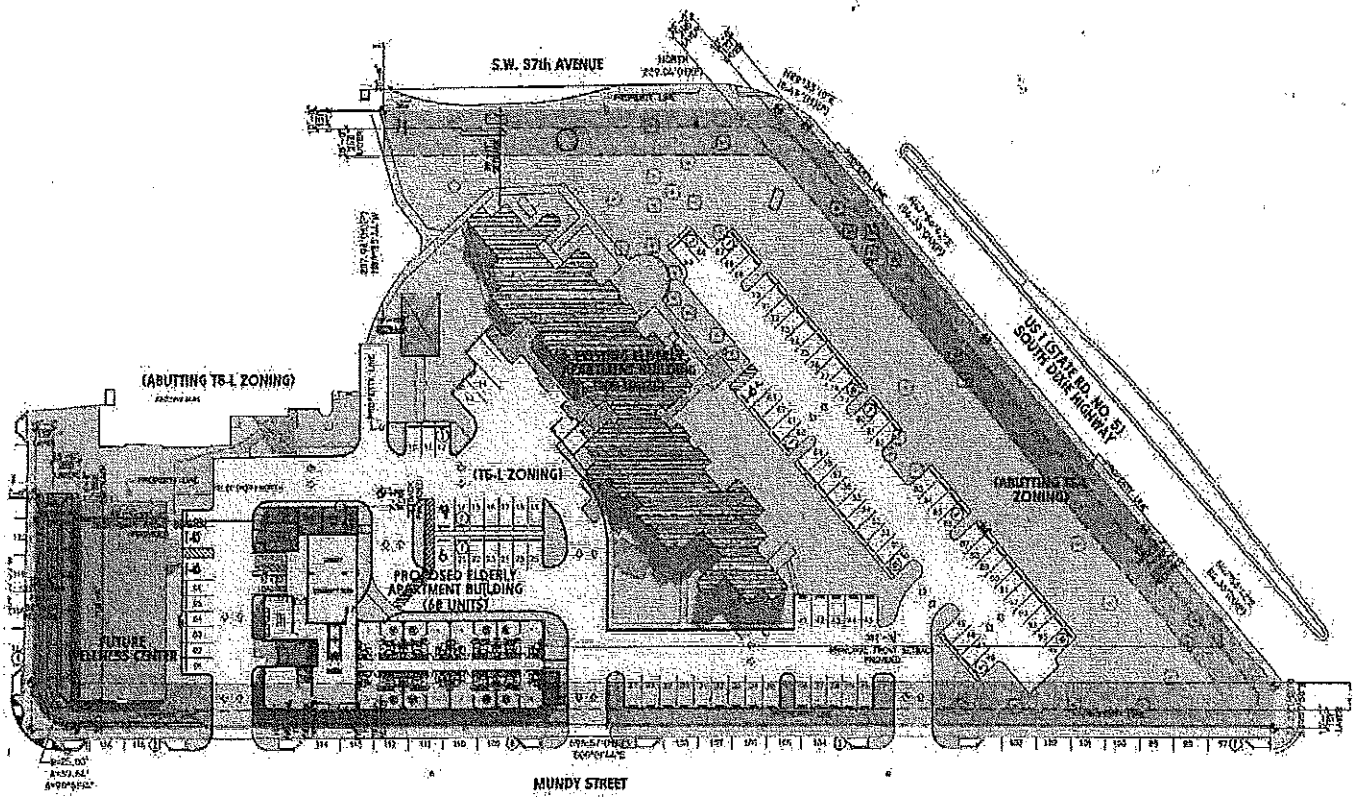

Exhibit A-1

Scope of Work

Stirrup Plaza Phase Two

Location: east of the existing Stirrup Plaza building (located at 3150 Mundy Street, Miami, Florida)
Stirrup Plaza Phase Two will be the new construction of a 68 unit mixed-income public housing and affordable housing development for elderly residents. The project will comply with the Uniform Federal Accessibility Standards. No less than 15% of the public housing units within the project will cater to residents with mobility impairment and no less than 2% of the public housing units will cater to residents with hearing and or visual impairment. The project will be a 5 story mid-rise design with 68 one-bedroom / one-bathroom units. A total of 7 units will be covered under an ACC Contract and receive operating subsidy. The project and units will contain the following features and amenities:

- Gated community with "carded" or "touchpad" entry
- Primary entrance door shall have a threshold with no more than a ½-inch rise
- All door handles on primary entrance door and interior doors with lever handles
- Steel exterior entry door frames for all units
- Entrance door will have two peepholes, one at standing eye level and one at seated eye level, not more than 43 inches from bottom of door
- Code compliant impact doors and windows in all units
- Marble window sills in all units
- Window treatment/covering for each window inside each unit
- Ceramic or porcelain tiles throughout the entire unit
- Tile bathroom floors in all units
- New bathroom cabinet(s) in all units
- Lever handles on all bathroom faucets and kitchen sink faucets
- Water Sense certified faucets and toilets and shower heads with flow of 2.2 gallons per minute or less in all bathrooms
- Water Sense certified dual flush toilets in all bathrooms
- Pantry in kitchen area in all new construction units – must be no less than 20 cubic feet of storage space

Scope of Work

Stirrup Plaza Phase Two

Continue

- New kitchen cabinets with granite counter top(s) or comparable in all units
- Double Bowl kitchen sink in all units
- Full-size range, oven and Energy Star qualified refrigerator in all units
- Over the range Microwave
- Dishwasher – Energy Star
- Air conditioning with a minimum SEER rating of 14
- Programmable thermostat in each unit
- Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level
- Energy Star qualified ceiling fans with lighting fixtures in bedrooms
- Electric Water heating minimum efficiency 30 gal = .94 EF
- Emergency call service in all units
- Laundry facilities with full-size dryers and energy star qualified washers available in at least one common area on site
- Cable or satellite TV hook-up in each unit
- Exercise room with appropriate equipment
- Library consisting of a minimum of 100 books and 5 current magazine subscriptions
- Community center or clubhouse
- Low-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint)
- Exterior lighting in open and common areas
- Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings
- 30 year expected life REFLECTIVE/GREEN roofing on all buildings
- Termite prevention and pest control maintenance plan

The property consists of approximately 1.057 acres.

Note: Scope of work, phasing, and budget are subject to change based on funding availability by mutual agreement of the parties.

Exhibit B

Development Budget/pro-forma

Stirrup Plaza Phase Two
EXECUTIVE SUMMARY

Address	3127 SW 37 Ave Miami, FL	
Total Units	68	- 7 Public Housing
Rentable Sqft	39,760	
Avg. Size	585	

SOURCES	Construction Source of Funds	Per Unit	Permanent Source of Funds	Per Unit
Tax Credit Equity:	1,077,337	15,843	5,182,246	76,210
Bonds	6,000,000	88,235	2,000,000	29,412
City of Miami HOME	2,302,000	33,853	2,302,000	33,853
Surtax	3,111,426	45,756	3,111,426	45,756
Owner's Equity (Deferred Developer Fee)	1,018,076	14,972	140,249	2,062
TOTAL	13,508,839	198,659	12,735,921	187,293

USES		Total	Per Unit
Acquisition			
Acquisition Costs		-	-
Construction			
Construction		7,140,000	105,000
Other GC Costs (Permits, Bonds, etc.)		380,056	5,589
GC Fees	14%	1,052,808	15,482
Hard Cost Contingency	5%	428,643	6,304
Total Construction		9,001,507	132,375
Soft Costs			
Accountant Cost Cert:		40,000	588
Third party (appraisal, inspections, survey etc.)		49,000	721
Environmental		10,000	147
Architectural & Engineering		220,000	3,235
Other Project Soft Costs		185,987	2,735
Developer Legal Costs		174,000	2,559
Financing Costs - Issuance & Origination		268,040	3,942
Financing Legal Costs		193,500	2,846
Equity Syndication Costs		213,254	3,136
Replacement Reserve:		20,400	300
Lease Up Reserve		99,089	1,457
Operating Subsidy Reserve		13,605	200
Operating Deficit Reserve		146,793	2,159
Debt Reserve:		300,000	4,412
Soft Cost Contingency	5%	82,689	1,216
Soft Costs		2,016,338	29,652
TOTAL COSTS before Developer Fee		11,017,844	162,027
Developer Fee		1,718,076	25,266
TOTAL COSTS		12,735,921	187,293

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Development Budget/pro-forma

continue:

DEVELOPMENT BUDGET - Stirrup Plaza Phase Two

		DEVELOPMENT BUDGET	ELIGIBLE BASIS		
			Acquisition	Construction	Ineligible
Acquisition Costs					
Residential Improvements:	85%	0	0		
Land:	15%	0			0
Subtotal:		0			
Construction Costs	PDU				
Residential:	105,000	7,140,000		7,140,000	
Builders Risk Insurance		79,256		79,256	
P&P Bonds		57,000		57,000	
Building Permits	1.00%	71,400		71,400	
FF&E		50,000		50,000	
Utility Connection Fees	1,800	122,400		122,400	
Subtotal:	110,589	7,520,056			
General Requirements:	6%	451,203		451,203	
Overhead:	2%	150,401		150,401	
Profit:	6%	451,203		451,203	
Hard Cost Contingency:	5%	428,643		428,643	
Total Construction Costs	132,375	9,001,507			
Project Soft Costs					
Accountant Cost Cert:		40,000		40,000	
Appraisal:		7,500		7,500	
Market Study:		7,500		7,500	
Environmental Studies:		10,000		10,000	
Physical Needs Assessment/PCR:		15,000		15,000	
Architect - Design:		220,000		220,000	
Architect - Supervision:		0		0	
Survey:		10,000		10,000	
Title Costs:	0.75%	53,550		40,163	13,388
Private Provider Inspections	500	34,000		34,000	
Relocation	2,500	17,500		17,500	
Marketing:		29,137			29,137
Travel Expenses:		0		0	
Liability Insurance	100	6,800		0	6,800
Office Expenses:		0		0	
Green Building Consultant		30,000		30,000	
L/C fees for bonds		0		0	
Real Estate Taxes During Construction		0		0	
Subtotal:	7,426	504,987			
Developer Legal Costs					
Acquisition Counsel:		10,000			10,000
Debt Counsel:		60,000		45,000	15,000
HUD Counsel:		40,000			40,000
Other:		64,000			64,000
Subtotal:	2,559	174,000			
Financing Issuance Costs					
Documentary Stamps/Recording Fees		60,000		45,000	15,000
Conversion Fee		16,000			16,000
Issuer Origination Fees:		37,040		27,780	9,260
Lender Origination Fees:		80,000		80,000	0
Issuer Financial Advisor:		40,000			40,000
Underwriter Fees:		20,000			20,000
Trustee Acceptance Fee:		15,000			15,000
Other		0			0
Subtotal:	3,942	268,040			

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Development Budget/pro-forma

continue:

DEVELOPMENT BUDGET - Stirrup Plaza Phase Two

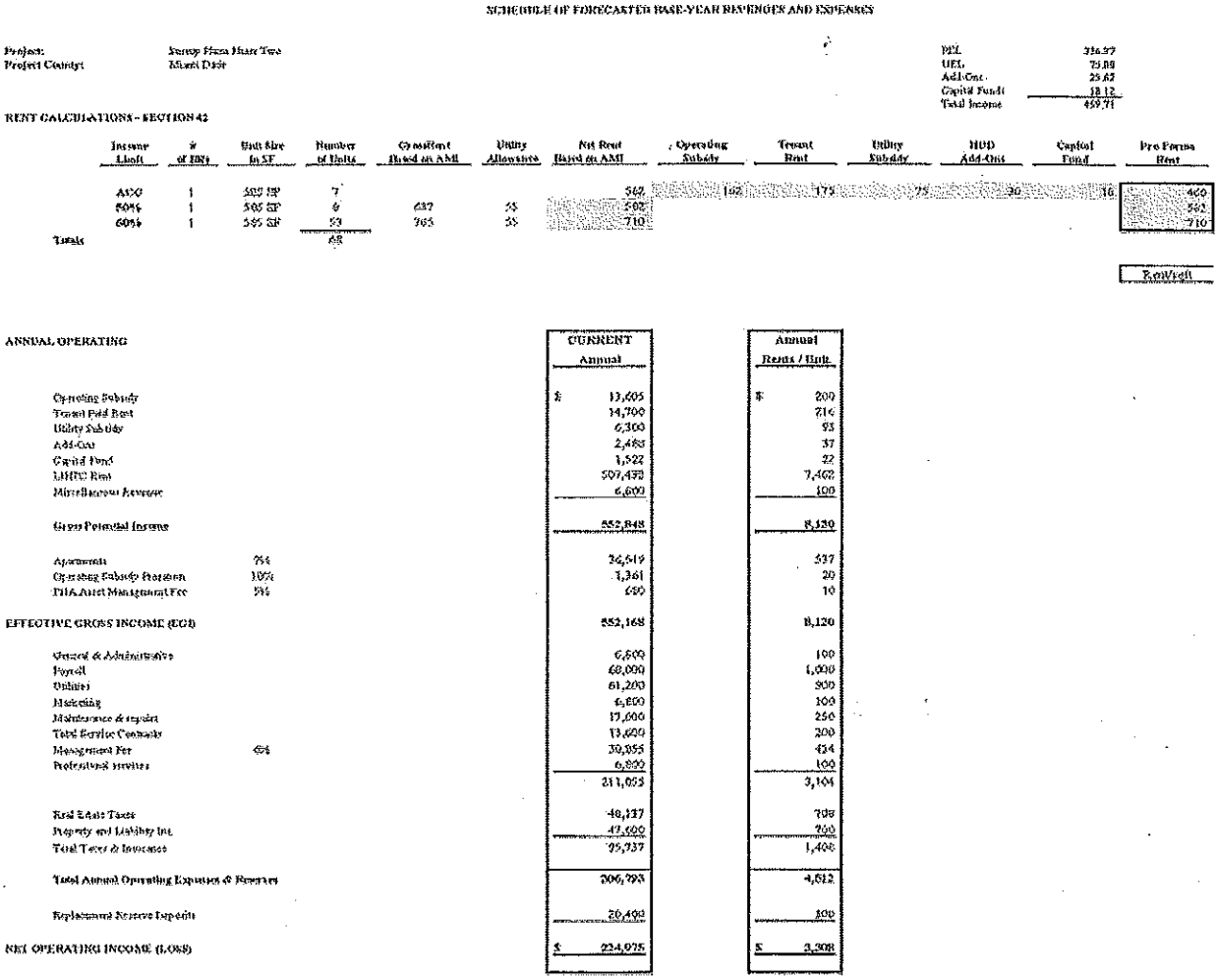
			DEVELOPMENT BUDGET	ELIGIBLE BASIS		
Financing Legal Costs						
Bond Counsel:			65,000		48,750	16,250
Lender Counsel:			50,000		37,500	12,500
Trustee Counsel:			7,500		5,625	1,875
Placement Agent:			31,000		23,250	7,750
County Attorney Fee:			10,000		7,500	2,500
Other Legal:			30,000		22,500	7,500
Credit Enhance Counsel			0		0	0
Disclosure Counsel:			0		0	0
	Subtotal:	2,846	193,500			
Equity Syndication Costs						
Up-Front LIHTC Admin Fees:		8%	40,254			40,254
LIHTC Application Fees:		0	3,000			3,000
Syndicator Due Diligence			50,000			50,000
Capitalized Monitoring Fees:			120,000			120,000
	Subtotal:		213,254			
Reserves and Escrows						
Replacement Reserve:		300	20,400			20,400
Lease Up Reserve			75,000			75,000
Tax Escrow:		6	24,069			24,069
Operating Subsidy Reserve		12	13,605			13,605
Operating Deficit Reserve		6	146,793			146,793
Construction Interest Reserve			300,000		300,000	
	Subtotal:		579,867			
Soft Cost Contingency		5%	82,689		54,928	27,761
Developer Fee			1,710,076	0	1,710,076	0
Total Development Budget:		107,293	12,735,921	0	11,873,078	862,842

LIHTC EQUITY CALCULATION

			Totals
Basis Boost:		3,561,924	3,561,924
Total Eligible Basis:	0	15,435,003	15,435,003
Applicable Fraction:	100%	100%	
Total Qualified Basis:	0	15,435,003	15,435,003
LIHTC Value Factor:		3.27%	
Annual LIHTC Allocation:	0	503,181	503,181
LP Investor Interest:	99.99%	99.99%	
LIHTC Price per $1:	$1.030	$1.030	
Calculated LIHTC Equity Raise:	0	5,182,246	5,182,246
Actual LIHTC Equity Raise:			5,182,246

Development Budget/pro-forma

continue:



SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES

Project: Stirrup Plaza Phase Two
Project County: Miami Dade

PEL	316.97
UEL	75.00
Add-Ons	25.62
Capital Fund	18.12
Total Income	459.71

RENT CALCULATIONS - SECTION 42

Income Limit	# of BRs	Unit Size in SF	Number of Units	Gross Rent Based on AMI	Utility Allowance	Net Rent Based on AMI	Operating Subsidy	Tenant Rent	Utility Subsidy	HOD Add-Ons	Capital Fund	Pro Forma Rent
AEO	1	502 SF	7			562	162	175	75	30	16	460
50%	1	502 SF	6	637	35	502						502
60%	1	502 SF	53	765	35	710						710
Totals			68									

Rent/sqft

ANNUAL OPERATING

		CURRENT Annual	Annual Rents / Unit
Operating Subsidy		$ 13,605	$ 200
Tenant Paid Rent		14,700	216
Utility Subsidy		6,300	93
Add-Ons		2,488	37
Capital Fund		1,522	22
LIHTC Rent		509,452	7,492
Miscellaneous Revenue		6,600	100
Gross Potential Income		552,848	8,120
Apartment	5%	24,519	537
Operating Subsidy Reserves	10%	1,361	20
PHA Asset Management Fee	5%	680	10
EFFECTIVE GROSS INCOME (EGI)		552,168	8,120
General & Administrative		6,800	100
Payroll		68,000	1,000
Utilities		61,200	900
Marketing		6,800	100
Maintenance & repairs		17,000	250
Total Service Contracts		13,600	200
Management Fee	6%	30,355	434
Professional services		6,800	100
		211,055	3,104
Real Estate Taxes		48,137	708
Property and Liability Ins		47,600	700
Total Taxes & Insurance		95,737	1,408
Total Annual Operating Expenses & Reserves		306,793	4,512
Replacement Reserve Deposits		20,400	300
NET OPERATING INCOME (LOSS)		$ 224,975	$ 3,308

Development Budget/pro-forma

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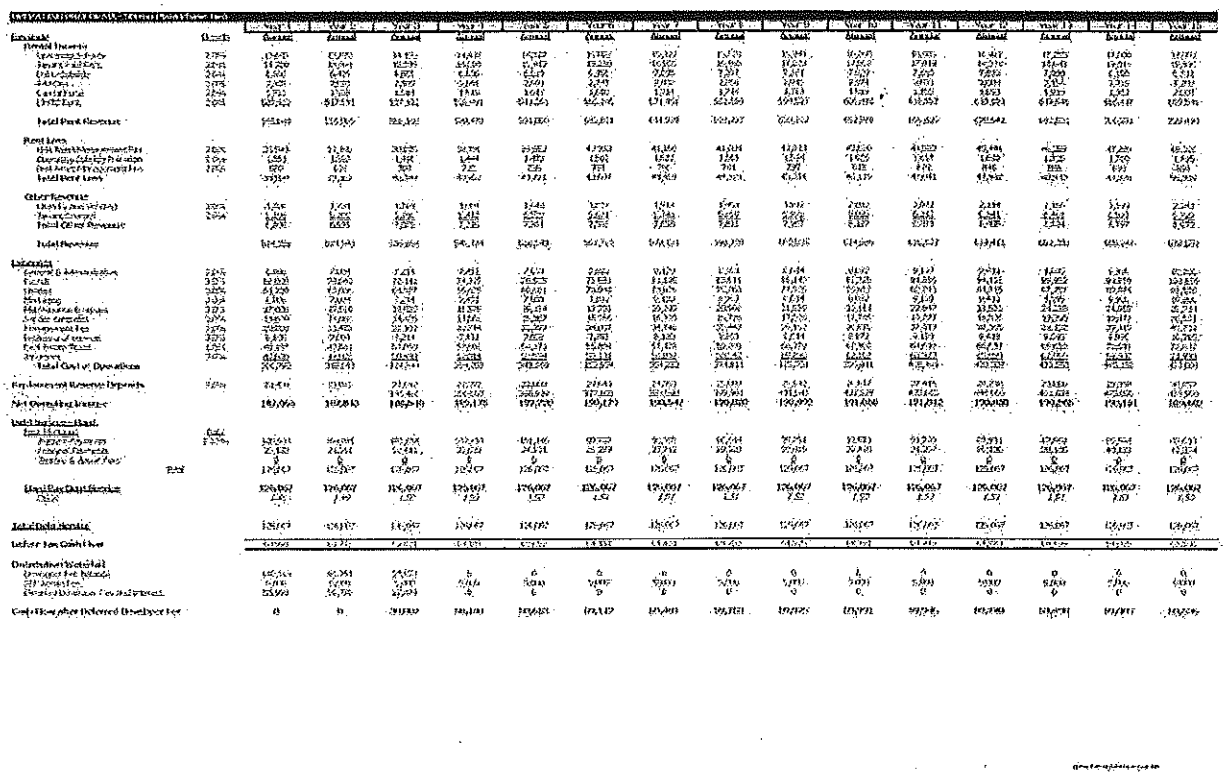


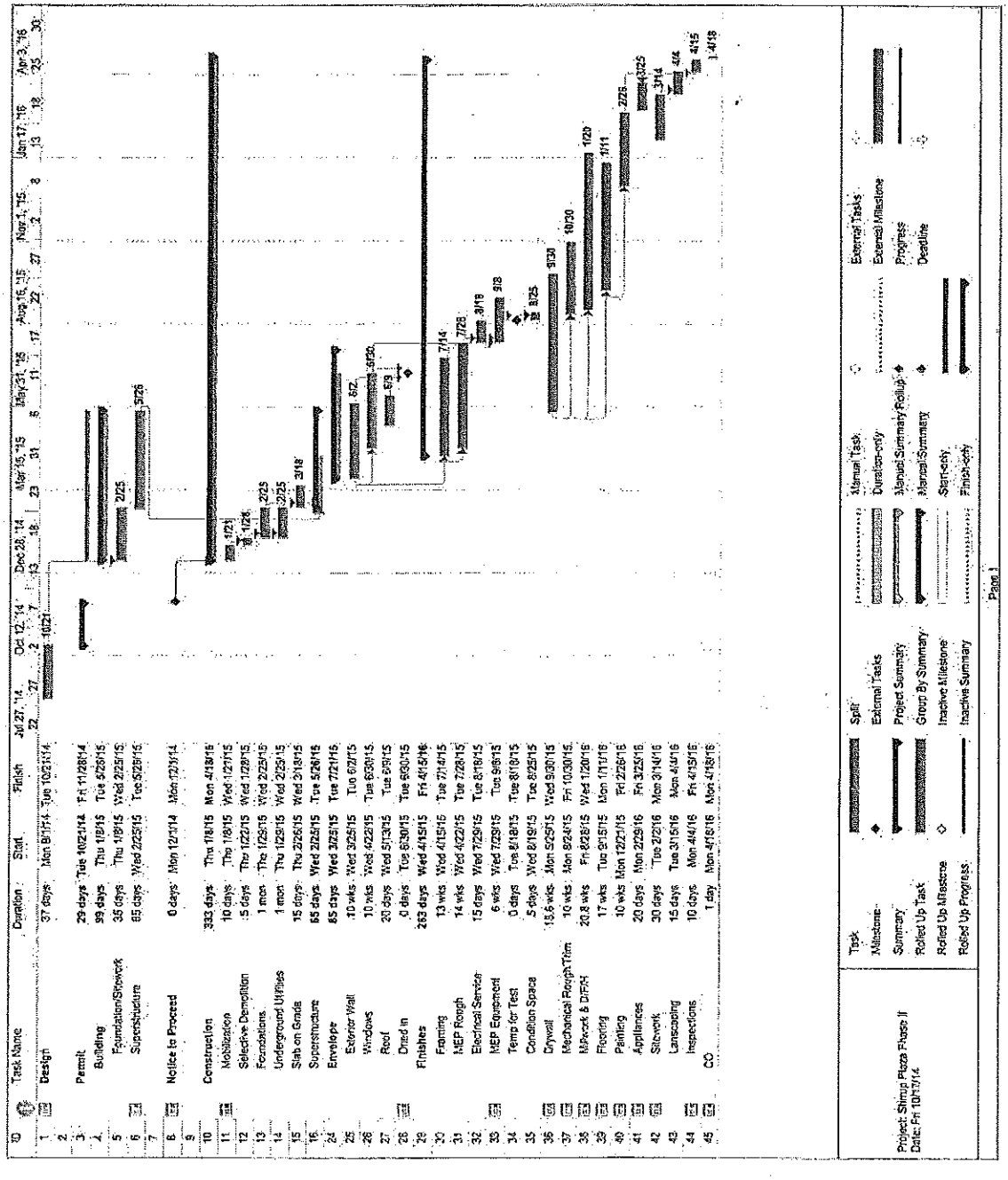
Phase Three: TO BE DETERMINED AT A LATER DATE.

Note: Scope of work, phasing, and budget are subject to change based on funding availability by mutual agreement of the parties.

Exhibit C

Development Schedule

Stirrup Plaza Phase Two



Phase Three: TO BE DETERMINED AT A LATER DATE.

Note: Scope of work, phasing, and budget are subject to change based on funding availability by mutual agreement of the parties.

Exhibit D

Unit Mix

Stirrup Plaza Phase Two – New Construction

68 units - one bedroom /one bathroom

Phase Three: TO BE DETERMINED AT A LATER DATE.

Note: Scope of work, phasing, and budget are subject to change based on funding availability by mutual agreement of the parties.

Exhibit E

Subcontractor/Supplier Listing Form

EXHIBIT E
SUBCONTRACTOR/SUPPLIER LISTING
(Miami-Dade County Code Sections 2-8.1, 2-8.8 and 10-34)
(To be provided by Contractor on contracts of $100,000 or above)

Firm Name of Prime Contractor/Respondent _____ FEIN # _____ Project/Contra

In accordance with Sections 2-8.1, 2-8.8 and 10.34 of the Miami-Dade County Code, this form must be submitted as a condition of award by all bidders/resp supplies, materials or services, including professional services which involve expenditures of $100,000 or more, and all bidders/respondents on County or Pub involve expenditures of $100,000 or more. The bidder/respondent who is awarded this bid/contract shall not change or substitute first tier subcontractors or c work to be performed or materials to be supplied from those identified, except upon written approval of the County. The bidder/respondent should enter the wo this form if no subcontractors or suppliers will be used on the contract and sign the form below.

In accordance with Ordinance No. 11-90, an entity contracting with the County shall report the race, gender and ethnic origin of the owners and employees o event that the successful bidder demonstrates to the County prior to award that the race, gender, and ethnic information is not reasonably available at that tim exercise diligent efforts to obtain that information and provide the same to the County not later than ten (10) days after it becomes available and, in any event, p

(Please duplicate this form if additional space is needed.)

Business Name and Address of First Tier Subcontractor/ Subconsultant	• Principal Owner	Scope of Work to be Performed by Subcontractor/ Subconsultant	Principal Owner (Enter the number of male and female own by race/ethnicity)							
			Gender		Race/Ethnicity					
			M	F	White	Black	Hispanic	Asian/Pacific Islander	Native American/Nat ive Alaskan	Oth

Business Name and Address of First Tier Direct Supplier	Principal Owner	Supplies/Materials/Services to be Provided by Supplier	Principal Owner (Enter the number of male and femal owners by race/ethnicity)							
			Gender		Race/Ethnicity					
			M	F	White	Black	Hispanic	Asian/Pacific Islander	Native American/Nati ve Alaskan	Oth

] Mark here if race, gender and ethnicity information is not available and will be provided at a later date. This data may be submitted t to the Small Business Development Division of the Regulatory and Economic Resources Department at http://new.miamidade.gov/b

I certify that the representations contained in this Subcontractor/Supplier listing are to the best of my knowledge true and accurate.

Signature of Bidder/Respondent	Print Name	Print Title	Date

Exhibit F

Applicable HUD General Conditions for Construction Contracts

Conduct of Work

1. Disputes

(a) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. A claim arising under the contract, unlike a claim relating to the contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim. The submission may be converted to a claim by complying with the requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(b) Except for disputes arising under the clauses entitled *Labor Standards and Labor Standards- Nonroutine Maintenance,* herein, all disputes arising under or relating to this contract, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.

(c) All claims by the Developer shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the County against the Developer shall be subject to a written decision by the Contracting Officer.

(d) County shall be the "Contracting Officer." The Contracting Officer shall, within 60 (unless otherwise indicated) days after receipt of the request, decide the claim or notify the Developer of the date by which the decision will be made.

(e) The Contracting Officer's decision shall be final unless the Developer (I) appeals in writing to a higher level in the County in accordance with the County' s policy and procedures, (2) refers the appeal to an independent mediator or arbitrator, or (3) files suit in a court of competent jurisdiction. Such appeal must be made within (30 unless otherwise indicated) days after receipt of the Contracting Officer's decision.

(f) The Developer shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the contract, and comply with any decision of the Contracting Officer.

2. Lead-Based Paint

The Developer shall comply with the requirements concerning lead-based painted contained in the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821-4846) as implemented by 24 C.F.R. Part 35.

3. Health, Safety, and Accident Prevention

(a) In performing this contract, the Developer shall:

i. Ensure that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his/her health and/or safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation;

ii. Protect the lives, health, and safety of other persons;

iii. Prevent damage to property, materials, supplies, and equipment; and

iv. Avoid work interruptions.

(b) For these purposes, the Developer shall:

i. Comply with regulations and standards issued by the Secretary of Labor at 29 C.F.R. Part 1926. Failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96), 40 U.S.C. § 3701 et seq.; and

ii. Include the terms of this clause in every subcontract so that such terms will be binding on each subcontractor.

(c) The Developer shall maintain an accurate record of exposure data on all accidents incident to work performed under this contract resulting in death, traumatic injury, occupational disease, or damage to property, materials, supplies, or equipment, and shall report this data in the manner prescribed by 29 C.F.R. Part 1904.

(d) The Contracting Officer shall notify the Developer of any noncompliance with these requirements and of the corrective action required. This notice, when delivered to the Developer or the Developer's representative at the site of the work, shall be deemed sufficient notice of the noncompliance and corrective action required. After receiving the notice, the Developer shall immediately take corrective action (unless Developer disputes the notification in accordance with Section 1). If the Developer fails or refuses to take corrective action promptly, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The Developer shall not base any claim or request for equitable adjustment for additional time or money on any stop order issued under these circumstances.

(e) The Developer shall be responsible for its subcontractors' compliance with the

provisions of this clause. The Developer shall take such action with respect to any subcontract as Miami-Dade County (the "County"), the Secretary of Housing and Urban Development, or the Secretary of Labor shall direct as a means of enforcing such provisions.

4. Royalties and Patents

The Developer shall pay all royalties and license fees. It shall defend all suits or claims for infringement of any patent rights and shall save the County harmless from loss on account thereof; except that the County shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified and the Developer has no reason to believe that the specified design, process, or product is an infringement. If, however, the Developer has reason to believe that any design, process or product specified is an infringement of a patent, the Developer shall promptly notify the Contracting Officer. Failure to give such notice shall make the Developer responsible for resultant loss.

5. Clean Air and Water

The contactor shall comply with the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., the Federal Water Pollution Control Water Act, as amended, 33 U.S.C. § 1251 et seq., and standards issued pursuant thereto in the facilities in which this contract is to be performed.

6. Energy Efficiency

The Developer shall comply with mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under the contract is performed.

7. Subcontracts

(a) Definitions. As used in this contract:

i. "Subcontract" means any contract, purchase order, or other purchase agreement, including modifications and change orders to the foregoing, entered into by a subcontractor to furnish supplies, materials, equipment, and services for the performance of the prime contract or a subcontract.

ii. "Subcontractor" means any supplier, vendor, or firm that furnishes supplies, materials, equipment, or services to or for the Developer or another subcontractor.

(b) The Developer shall not enter into any subcontract with any subcontractor who has been temporarily denied participation in a HUD program or who has been suspended or debarred from participating in contracting programs by any agency of the United States Government or of the state in which the work under this contract is to be performed.

(c) The Developer shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the Developer.

(d) The Developer shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this contract insofar as they are applicable to the work of subcontractors.

(e) Nothing contained in this contract shall create any contractual relationship between any subcontractor and the County or between the subcontractor and HUD.

8. Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms.

The Developer shall take the following steps to ensure that, whenever possible, subcontracts are awarded to small business firms, minority firms, women's business enterprises, and labor surplus area firms:

(a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(b) Ensuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;

(c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;

(d) Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small and minority businesses and women's business enterprises; and

(e) Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and State and local governmental small business agencies.

9. Equal Employment Opportunity.

During the performance of this contract, the Developer agrees as follows:

(a) The Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, sex, pregnancy, age, disability, marital status, familial status, or sexual orientation or gender identity and expression.

(b) The Developer shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, national origin, sex, pregnancy, age, disability, marital status, familial status, or sexual orientation or gender identity and expression. Such action shall include, but not be limited to, (1) employment, (2) upgrading, (3) demotion, (4) transfer, (5) recruitment or recruitment advertising, (6) layoff or termination, (7) rates of pay or other forms of compensation, and (8) selection for training, including apprenticeship.

(c) The Developer shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(d) The Developer shall, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, ancestry, national origin, sex, pregnancy, age, disability, marital status, familial status, or sexual orientation or gender identity and expression.

(e) The Developer shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Developer's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(f) The Developer shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(g) The Developer shall furnish all information and reports required by Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Developer shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(h) In the event of a determination that the Developer is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Developer may be declared ineligible for further Government contracts, or Federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Developer as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

(i) The Developer shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Developer shall take such action with respect to any subcontract or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the Developer becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Developer may request the United States to enter into the litigation to protect the interests of the United States.

(j) Compliance with the requirements of this clause shall be to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act and the Indian Preference clause of this contract.

10. Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.

(a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. Part 135 (Exhibit J), which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24

C.F.R. Part 135.

(f) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(g) With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

(h) The contractor shall provide monthly reports indicating all new hires on the project for each week in the reporting period.

11. Limitations on Payments made to Influence Certain Federal Financial Transactions.

(a) The Developer agrees to comply with Section 1352 of Title 31, United States Code which prohibits the use of Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.

(b) The Developer further agrees to comply with the requirement of the Act to furnish a disclosure (OMB Standard Form LLL, Disclosure of Lobbying Activities) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement.

12. Examination and Retention of Developer's Records

(a) The County, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Developer's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit,

examination, excerpts, and transcriptions.

(b) The Developer agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding $10,000.

(c) The periods of access and examination in paragraphs (a) and (b) above for records relating to (1) appeals under the Disputes clause of this contract, (2) litigation or settlement of claims arising from the performance of this contract, or (3) costs and expenses of this contract to which the County, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

(d) Lunches, dinners, etc. are not acceptable reimbursable expenses.

(e) Acceptable reimbursable expenses are defined as:

(f) Payments to Developer shall be based on services rendered/work completed, not costs incurred for deposits/retainers.

13. Labor Standards - Davis-Bacon and Related Acts.

If the total amount of this contract exceeds $2,000, the Federal labor standards set forth in the clause below shall apply to the development or construction work to be performed under the contract.

(a) Minimum Wages.

i. All laborers and mechanics employed under this contract in the development or construction of the project(s) involved will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 C.F.R. Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Developer and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 C.F.R. § 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the regular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 C.F.R. § 5.5(a)(4). Laborers or

mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 C.F.R. § 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Developer and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

ii. Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when all the following criteria have been met: (A) The work to be performed by the classification requested is not performed by a classification in the wage determination; and (B) The classification is utilized in the area by the construction industry; and (C) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

iii. If the Developer and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employee Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

iv. In the event the Developer, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

v. The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(2)(ii) or (iii) of this clause shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in classification.

vi. Whenever the minimum wage rate prescribed in the contract for a class of

laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Developer shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

vii. If the Developer does not make payments to a trustee or other third person, the Developer may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program; provided, that the Secretary of Labor has found, upon the written request of the Developer, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Developer to set aside in a separate account assets for the meeting of obligations under the plan or program.

(b) Withholding of funds. HUD or its designee shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Developer under this contract or any other Federal contract with the same prime Developer, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime Developer, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Developer or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working in the construction or development of the project, all or part of the wages required by the contract, HUD or its designee may, after written notice to the Developer, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the Developer, disburse such amounts withheld for and on account of the Developer or subcontractor to the respective employees to whom they are due.

(c) Payrolls and basic records.

i. Payrolls and basic records relating thereto shall be maintained by the Developer during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working in the construction or development of the project. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under 29 C.F.R. § 5.5(a)(1)(iv), that the wages of any laborer or mechanic include the amount of costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Developer shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is

financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Developers employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

ii. The Developer shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Contracting Officer for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under subparagraph (c)(1) of this clause. This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The Developer is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1214-0149.)

iii. Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Developer or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under paragraph (c) (1) of this clause and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 C.F.R. Part 3; and

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

iv. The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirements for submission of the "Statement of Compliance" required by subparagraph (c)(2)(ii) of this clause.

v. The falsification of any of the above certifications may subject the Developer or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

vi. The Developer or subcontractor shall make the records required under subparagraph (c)(1) available for inspection, copying, or transcription by authorized representatives of HUD or its designee, the Contracting Officer, or the Department of Labor and shall permit such representatives to interview employees during working hours on the job. If the Developer or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Developer, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 C.F.R. § 5.12.

(d) Apprentices.

i. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship and Training, Employer and Labor Services (OATELS), or with a State Apprenticeship Agency recognized by OATELS, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by OATELS or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Developer as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in this paragraph, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Developer's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event OATELS, or a State Apprenticeship Agency recognized by OATELS, withdraws approval of an apprenticeship program, the Developer will no longer

be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

ii. Trainees. Except as provided in 29 C.F.R. § 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate in the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Developer will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

iii. Equal employment opportunity. The utilization of apprentices, trainees, and journeymen under this clause shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 C.F.R. Part 30.

(e) Compliance with Copeland Act requirements. The Developer shall comply with the requirements of 29 C.F.R. Part 3, which are hereby incorporated by reference in this contract.

(f) Contract termination; debarment. A breach of this contract clause may be grounds for termination of the contract and for debarment as a Developer and a subcontractor as provided in 29 C.F.R. § 5.12.

(g) Compliance with Davis-Bacon and related Act requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 C.F.R. Parts 1, 3, and 5 are herein incorporated by reference in this contract.

(h) Disputes concerning labor standards. Disputes arising out of the labor

standards provisions of this clause shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 C.F.R. Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Developer (or any of its subcontractors) and the County, HUD, the U.S. Department of Labor, or the employees or their representatives.

(i) Certification of eligibility.

i. By entering into this contract, the Developer certifies that neither it (nor he or she) nor any person or firm who has an interest in the Developer's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 C.F.R. § 5.12(a)(1).

ii. No part of this contract shall be subcontracted to any person or firm ineligible for award of a United States Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 C.F.R. § 5.12(a)(1).

iii. The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. § 1001.

(j) Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

i. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

ii. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions set forth in subparagraph (j)(1) of this clause, the Developer and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Developer and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic (including watchmen and guards) employed in violation of the provisions set forth in subparagraph (j)(1) of this clause, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by provisions set forth in subparagraph (j)(1) of this clause.

iii. Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative

of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Developer or subcontractor under any such contract or any Federal contract with the same prime Developer, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Developer, such sums as may be determined to be necessary to satisfy any liabilities of such Developer or subcontractor for unpaid wages and liquidated damages as provided in the provisions set forth in subparagraph (j)(2) of this clause.

(k) Subcontracts. The Developer or subcontractor shall insert in any subcontracts all the provisions contained in this clause, and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. The prime Developer shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all these provisions.

14. Non-Federal Prevailing Wage Rates

(a) Any prevailing wage rate (including basic hourly rate and any fringe benefits), determined under State or tribal law to be prevailing, with respect to any employee in any trade or position employed under the contract, is inapplicable to the contract and shall not be enforced against the Developer or any subcontractor, with respect to employees engaged under the contract whenever such non-Federal prevailing wage rate exceeds:

i. The applicable wage rate determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. § 3141 et seq.) to be prevailing in the locality with respect to such trade;

(b) An applicable apprentice wage rate based thereon specified in an apprenticeship program registered with the U.S. Department of Labor (DOL) or a DOL-recognized State Apprenticeship Agency; or

(c) An applicable trainee wage rate based thereon specified in a DOL-certified trainee program.

15. Procurement of Recovered Materials.

(a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Developer shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Developer shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Developer determines that such items: (1) are not reasonably available in a reasonable

period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

(b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Developer purchases in excess of $10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Developer: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of $10,000 of the item both under and outside that contract.

Exhibit G

Not Used

Exhibit H

Summary of Key Development Team Members

Jorge M. Perez
Principal / President
Since the 1970's, Jorge M. Perez has been at the forefront of affordable housing development and the revitalization of urban communities throughout South Florida. Making his mark initially in the rehabilitation of multi-family properties in Little Havana and the HUD Section 8 programs, Mr. Perez went on to become one of the nation's leading developers of low income rental properties with financing attained through tax exempt bonds and low income housing tax credits. His attention to detail and commitment to creating quality living environments distinguished him within the marketplace.

Through his ownership in Related Affordable Housing, The Related Companies of Florida and The Related Group of Florida, Mr. Perez has developed, rehabilitated and managed over 10,000 affordable housing units in his illustrious career. Though he has been a successful developer of mixed-used and condominium developments, Mr. Perez never lost his passion to provide high quality affordable housing.

Alberto Milo, Jr.
Senior Vice President / Principal
Albert has 25 years of experience in the real estate sales and mortgage banking industry. The Urban Development Group, LLC (UDG) was founded in January of 2002 by Alberto Milo, Jr. The company's mission is to revitalize communities by creating affordable homeownership. UDG has identified several underserved markets, one of which lies within the urban core of Miami-Dade County. The underserved market consists of individuals that earn between 50% and 140% of the Miami-Dade median income. These individuals currently do not have an economically feasible homeownership opportunity within Miami's urban core.

In 2009, Albert formed RUDG, LLC (Related Urban), a joint venture with Jorge Perez and The Related Group. Since 2009 Related Urban has developed, rehabilitated and managed a number of public housing and affordable housing developments throughout Florida.

MATTHEW J. ALLEN
Executive Vice President and Chief Operating Officer
Matthew J. Allen is Executive Vice President and Chief Operating Officer. Mr. Allen, who joined the company in 1999, is responsible for overseeing the day to day operations of the company. In addition, he directly oversees the finance, human resources, marketing, legal, accounting and asset management divisions. Since 1999, he was directly responsible for raising over $10 billion in debt and equity. Mr. Allen previously served as Senior Vice President of Atlantic Gulf Communities. Mr. Allen has over twenty three years of experience in Real Estate. He is a member of the Executive Committee and Board of Directors of the Beacon Council, Executive Council and the Board of Directors of Big Brothers Big Sisters of Greater Miami. Mr. Allen completed his undergraduate studies at Barry University and received his Master's degree in Business Administration from Florida International University.

LUIS CASTELLON
Vice President of Development
Mr. Castellon joined the Related Group in 2006 and has overseen the development of numerous Condominium, Market Rate and Affordable Housing project. His background in Architecture gives him the knowledge and ability to take a project from the conceptual phase, through design, development and construction administration. His expertise allows him to analyze potential sites and pinpoint development opportunities through current land-use and zoning. He is responsible for the design and construction oversight of all Related Urban projects. Mr. Castellon has a Bachelor's of Architecture degree and Bachelors of Science degree from Florida Agricultural and Mechanical University.

TONY DEL POZZO
Vice President of Finance Operations
Mr. Del Pozzo has over 19 years of experience in the industry. He has procured over $400 million in debt and equity, negotiated contracts for the sale of over $200 million in assets and acquisition of over $200 million in assets and worked with lenders, equity investors and buyers through all of the due diligence involved in the transactions. He is responsible for all debt and equity procurement the Affordable Housing division of The Related Group and works directly with TRG Management staff to provide property and portfolio management on over 30 assets reflecting over 7,000 residential apartment units and 500,000 square feet of retail and office. In addition, Mr. Del Pozzo is also responsible for the risk management of the company's entire portfolio. Mr. Del Pozzo is a licensed Florida real estate appraiser and holds an M.B.A. from the University of Miami.

BRETT GREEN
Senior Financial Analyst
Brett Green joined Related Urban in 2012. Mr. Green is responsible for underwriting potential multifamily development opportunities, negotiating debt and equity term sheets and closing documents, coordinating the financial and real estate closings and conducting market research. Mr. Green has participated in closing over $200MM in debt and equity transactions for the rehabilitation or new construction of over 1,000 affordable housing units. Mr. Green holds a Bachelor's Degrees in Finance and Real Estate from the University of Central Florida.

JASON GOLDFARB
Director of Acquisitions
Jason Goldfarb joined the company in 2010 and is primarily responsible for identifying new subsidies, negotiating the acquisition of properties located in underserved markets, managing escrow deposits during the contract period and packaging and submitting applications for project funding. Mr. Goldfarb previously served as a senior associate for 6 years with the national commercial sales brokerage Marcus and Millichap. As a sales associate, he negotiated and facilitated over $100 million of commercial property transactions. Mr. Goldfarb began his career with Owner's Management Company in Cleveland, Ohio as an affordable housing property manager/project manager. Mr. Goldfarb holds a bachelor's degree in Business Administration from Kent State University and is licensed to sell real estate in the State of Florida.

BETTY GUTIERREZ
Relocation / Resident Services Manager
Betty Gutierrez (a/k/a Maria Beatriz Gutierrez) joined the Related Urban team in August 2012 as Relocation / Resident Services Manager overseeing all aspects regarding relocation of the elderly residents during the rehabilitation period. Ms. Gutierrez' strong constituency and affordable housing experience during 14 years on Miami-Dade County Commissioner Bruno Barreiro's staff is an asset in attending to our senior residents. She started her civic involvement in the City of Miami Beach with the Miami Design Preservation League (MDPL) which advocates for historic preservation. She served as a member of the MDPL Board of Directors for many years and as Chairperson from 1993 to 1998. Her work with MDPL led her to involvement in other community organizations and community issues. She served as Chairperson of the City of Miami Beach Hispanic Advisory Board in 1993, at a time when there was little Hispanic representation on City Boards; and as a result is one of the founders of Unidad of Miami Beach, better known as the Miami Beach Hispanic Community Center. She has served as Chairperson of the City of Miami Beach Community Development Advisory which makes Community Development Block Grant recommendations to the Miami Beach Commission, vice-president of the Miami Beach Community Development Corporation which develops affordable housing and homeownership in Miami Beach. Ms. Gutierrez also served on the Miami Beach Housing Authority Board from 2000 to 2006 and presided as Chairperson the last two years. Today, Ms. Gutierrez is a member of the City of Miami Planning, Zoning and Appeals Board. She received her Masters Degree in Public Administration from Florida International University. Betty Gutierrez is an active member of our community.

JULIANA LONDOÑO
Labor Compliance Officer
Juliana Londoño joined The Related Group in 2012 under the multi-family division where she facilitated the due diligence and construction process on various projects throughout the State of Florida. In early 2014, Ms. Londoño became part of the Related Urban team and currently manages Labor Compliance requirements such as Davis Bacon and Section 3 with our contractors and subcontractors. Prior to joining the Related family, Ms. Londoño served 4 years as Marketing Manager and Leasing Manager for the Green Development Group and oversaw the marketing campaigns and the class A residential leasing programs increasing occupancy by 75% between 2008 and 2011. Also, Ms. Londoño participated in remodeling, design and staging of commercial and residential spaces for independent clients. Ms. Londoño attended the University of Central Florida majoring on Civil Engineering and is currently pursuing a Degree in Interior Design at Miami International University of Art and Design.

LARRY LENNON
President TRG Management
Larry Lennon is the President of TRG Management, an in house full-service real estate management company. His responsibilities include directing operations and profitability. He also plays a key role in working with the development team on all new apartment developments. Mr. Lennon has over twenty years of real estate management experience. In addition to managing in excess of 120,000 units during his career, he has also built and redeveloped a number of conventional and tax-credit apartment communities. Mr. Lennon received his Bachelor's degree in Business Administration from

the University of Florida and his Master's in Business Administration from the University of North Florida.

MARILYN PASCUAL
President, TRG Management Company, LLP, Affordable Division
The property management will be overseen by the Division Manager, Marilyn Pascual. She currently manages all existing affordable and public housing project for Related Urban. Marilyn has more than nineteen years experience in the management of multi-family housing communities. She re-joined TRG in April of 2010 as a Regional Manager after having served as President for the Housing Trust Management Group, Inc. for more than five years. Ms. Pascual was also a Regional Manager with Cornerstone Residential Management, Inc. and worked with TRG for five years early in her career where she quickly advanced from property manager to district manager. She has an excellent track record managing all types of apartment portfolios, but has an extensive history managing affordable housing transactions. Ms. Pascual holds a Bachelor of Science Degree in Mechanical Engineering from the University of Florida.

Exhibit I

UFAS Certification Form & HUD UFAS Accessibility Checklist

Attached

UNIFORM HOUSING AND COMMUNITY DEVELOPMENT (UFAS CERTIFICATION FORM)

This certification is provided to Public Housing and Community Development (PHCD), the department responsible for administering the Voluntary Compliance Agreement (VCA) between Miami-Dade County and United States Housing and Urban Development (USHUD).

_____ ***(Insert consulting company name)*** is a consulting firm with expertise in accessibility which has been retained by _____ ***(Insert Owner's name)*** to certify the residential units, site, common areas, etc. of development indicated below, are in full compliance with the Uniform Federal Accessibility Act Standards (UFAS).

This CERTIFICATION is rendered upon detailed review of UFAS requirements, design and construction documents. Accessibility inspections of work in place have been conducted and a final certification compliance inspection, in accordance with the requirements of Uniform Federal Accessibility Act Standards (UFAS), PIH Notice 2003-31 (HA) and where applicable the American Disabilities Act Accessible Guidelines, FBC, and FHA, has also been completed.

1. Development Name & Florida Number: _____
2. Development Address: _____
3. Unit(s) Certified _____

Certification Code	Description of area certified:	Certification Code	Description of area certified:
☐	Unit interior	☐	Dumpster and Trash Chutes
☐	Parking area and Sitework	☐	Dining Room
☐	Path of travel to unit and non-housing program(s)	☐	Mailboxes
☐	Laundry Room	☐	Elevators
☐	Manager's Offices	☐	Public Restrooms
☐	Community Center	☐	Maintenance Shop
		☐	Other if applicable (describe)

Certification Legend:

1. Certified for UFAS requirements.
2. UFAS requirements **NOT** Certified **(Pending)**
3. Not Applicable.
4. Waiver for structural impracticability as per UFAS 4.1.6 Accessible Buildings: Alterations, Item (3) and VCA Agreement, page 7 of 32, II Definitions, Structural Impracticability.
5. Waiver for undue financial and administrative burden as per UFAS 4.1.6 Accessible Buildings: Alterations, Item (3) (d) and VCA Agreement, page 7 of 32, II Definitions, UFAS-Accessible Unit.

Submitted by:

Print Name	Signature	Date

Rev. 5/6/14

Page 1 of 1

Facility Name _____

Date(s) of Review _____

Address _____

Unit/Apartment Number _____

Telephone Number _____

TDD/TTY Number _____

Name of Reviewer(s) _____

• U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
• OFFICE OF FAIR HOUSING & EQUAL OPPORTUNITY
• UFAS ACCESSIBILITY CHECKLIST

NOTE:
(1) This checklist is to be used in conjunction with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. § 40, Appendix A.

(2) This checklist is intended for accessibility reviews of properties owned, operated and/or managed by recipients of Federal financial assistance. See *Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. § 794; 24 C.F.R. Part 8. However, the properties may also be subject to the Fair Housing Act (42 U.S.C. §§ 3601-20; 24 C.F.R. Part 100); and/or the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.)*

(3) This checklist is not all-inclusive. Please make additions, as necessary, depending on elements reviewed at each site. Reviewer is responsible for verification of each UFAS citation; all UFAS cites [including scoping requirements] for a particular element may not be referenced on this checklist.

Required Equipment: Tape Measure; Smart Level; Door Pressure Gauge; Camera

Exterior/Common Areas:
Accessible Parking (pgs. 2-3)
Accessible Route (pgs. 4-5)
Ramps (pgs. 6-7)
Stairs (pgs. 8-9)
Signage (pg. 10)
Doors (pgs. 11-12)
Public Offices, Rec/Community Rm., Etc. (pg. 13-18)
Public Restrooms (pgs. 19-25)
Elevators/Platform Lift (pgs. 26-31)
(pg. 56)
Drinking Fountains (pgs. 32-33)
Misc: Telephones/Alarms (TDD/TTY) (pgs. 34-35)

Dwelling Unit:
Accessible Parking (pgs. 36-37)
Accessible Route (pgs. 38-39)
Dwelling Unit/Interior Route (pgs. 40-52)
- Bathroom (43-47)
- Kitchen (47-52)

Dwelling Unit Common Spaces/Facilities
- Mailboxes (pg. 53)
- Laundry Facilities (pg. 54-55)
- Dumpsters/Picnic Area and Accessible Routes

Facility Name_____
Date(s) of Review_____
Address_____
Suite/Office Number_____
Telephone_____
TDD/TTY Number_____
Name of Reviewer(s)_____

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE PARKING:			
	NOTE: Upon arrival at the housing development, take a picture of the sign on the office building for identity purposes.			
	Accessible Parking Location:			
4.6.1; 4.1.1(5)(d)	Count **total number** of spaces; How many parking spaces are **designated accessible** parking spaces; How many parking spaces are **designated Van-accessible;** [Note: The ADA Accessibility Standards "ADA Standards" require that one (1) in every eight (8) designated accessible parking spaces is designated as "van accessible."]			
4.6.2; 4.6.3; Fig. 9	Designated accessible parking spaces should be located closest to the nearest accessible entrance, on an accessible route;			
4.6; Fig. 9;	Parking space should be at least 96" wide; Access aisle should be adjacent to parking space and at least 60" wide (note: two designated accessible parking spaces may share a common access aisle); Exception: the **access aisle for a designated van parking space should be at least 96" wide** and should be designated with a sign stating that it is "van accessible,"			
4.6.3;	Slope and cross-slope of parking space & access aisle shall be level with surface slopes not exceeding 2% in all directions;			
4.6.4; 4.30.5; 4.1.1(7);	Signage: Parking spaces designated as reserved for persons with disabilities shall be identified by signage depicting			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE PARKING:			
	the International Symbol of Accessibility; Signage shall be mounted at a height not obscured by a parked vehicle;			
4.7.4; 4.5.1; 4.3.6;	Surface is firm, stable and slip-resistant;			
4.7.2; 4.8.2; 4.7.3; 4.7.4; 4.5.1; 4.7.5; Figs. 12 & 13	Curb Ramps: Slope does not exceed 8.33%; At least 36" wide, excluding flared sides; Surface is firm, stable and slip-resistant; If no handrails, flared sides have a slope no greater than 10%;			

Facility Name_____
Date(s) of Review_____
Address_____
Suite/Office Number_____
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Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE ROUTE:			
	Accessible Route Location:			
4.3.3; Fig. 7; 4.3.4;	**Minimum clear width** shall be 36" (except at doors); **Passing Space:** If accessible route is less than 60" clear width, then passing spaces at least 60" x 60" shall be located at reasonable intervals not to exceed every 200 feet;			
4.5.1; 4.3.8; 4.5.2;	**Surface**: firm, stable and slip-resistant; Changes in level between ¼" – ½" shall be beveled; Changes in level greater than ½" shall be accomplished by means of a ramp;			
4.4.1; 4.4.2; Fig. 8(a); Fig. 8(b);	**Protruding Objects**: Objects protruding from walls with their leading edges between 27"-80" above the finished floor (AFF) shall protrude no more than 4" into walks, halls, corridors, passageways or aisles (Fig. 8(a)); Objects mounted with their leading edges at or below 27" AFF may protrude any amount; Head Room: Walks, halls, corridors, passageways, aisles or other circulation spaces shall have 80" minimum clear head room;			
4.3.7; *See 4.8*	**Slope of route** may not exceed 5%; if slope is greater than 5%; it is a "ramp"			
4.3.7;	**Cross-slope** of route may not exceed 2%;			
4.5.4; Fig. 8(g); Fig. 8(h);	**Grates** set in the direction of the route should be no greater than ½" wide; If gratings have elongated openings, then they shall be placed so that the long dimension is perpendicular to the			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE ROUTE:			
	dominant direction of travel;			
4.3.2(1);	At least one accessible route, *within* the boundary of the site, shall be provided from public transportation stops, parking, street and/or sidewalks to the accessible building entrance they serve;			
4.7.2; 4.8.2; 4.7.3; 4.7.4; 4.5.1; 4.7.5; Figs. 12 & 13	**Curb Ramps**: Slope does not exceed 8.33%; At least 36" wide, excluding flared sides; Surface is firm, stable and slip-resistant; If no handrails, flared sides have a slope no greater than 10%;			

Facility Name_____
Date(s) of Review_____
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Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	RAMPS:			
	Ramp Location:			
4.8.3; 4.8.2;	Ramp is at least 36" wide and rises no more than 30";			
4.8.2;	Slope of ramp is no greater than 8.33%;			
4.8.6;	Cross-slope of ramp [slope of ramp that is perpendicular to the direction of travel] is no greater than 2%;			
4.5.1;	Ramp surface is firm, stable and slip-resistant;			
4.8.4;	Landing at top and bottom of ramp: Should be level and at least as wide as ramp and a minimum of 60" in length; Level landings should also occur at each turn (switchback) of the ramp; If ramps change direction at landings, the minimum landing size shall be 60" x 60"			
4.8.5; 4.8.7; Fig. 17	If ramp rise is greater than 6" or has a horizontal projection greater than 72", then handrails are required on both sides; Ramps and landings with drop-offs shall have curbs, walls, railings or projecting surfaces that prevent people from slipping off the ramp; Curbs shall be a minimum of 2" high;			
4.8.8;	Ramp should not be designed so that water will accumulate on walking surface;			
4.26.2; 4.8.5; 4.8.5(5); 4.8.5(7);	**Handrails:** Diameter of gripping surface is between 1 ¼" to 1 ½"; Clear space between the handrail and the wall shall be			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	RAMPS:			
	1 ½"; **If handrails are not continuous,** they shall extend at least 12" beyond the top and bottom of the ramp segment and, ends of handrails shall be either rounded or returned smoothly to the floor, wall or post; Top of handrail gripping surface shall be mounted between 30" and 34" above the ramp surfaces; Handrails shall be solidly anchored with fittings that do not rotate;			

Facility Name_____
Date(s) of Review_____
Address_____
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Telephone_____
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Name of Reviewer(s)_____

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	STAIRS:			
	Stairs Location:			
4.9.2; Fig. 18(a)	**Treads & Risers:** On any given flight of stairs, all steps shall have uniform riser heights and uniform tread widths; Stair Treads: shall be no less than 11" wide, measured from riser to riser; Open risers are not permitted on accessible routes;			
4.9.3; Fig. 18	**Nosings:** The undersides of nosings shall not be abrupt; Nosings shall project no more than 1 ½" (Fig. 18)			
4.9.6;	**Stairs** – Outdoor Conditions: Outdoor stairs and their approaches shall be designed so that water will not accumulate on walking surfaces;			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	STAIRS:			
See 4.26; 4.9.4; 4.9.4(1); Fig. 19(a) and 19(b); 4.9.4(2); Fig. 19(c); and (d); *See* 4.4 4.9.4(3); 4.9.4(4); 4.9.4(5); 4.9.4(6); 4.9.4(7);	**Handrails:** Stairways shall have handrails **at both sides of all stairs;** Handrails shall have the following features: (1) Handrails shall be continuous along both sides of stairs; the inside handrail on switchback or dogleg stairs shall always be continuous (Fig. 19(a) and (b)); (2) **If handrails are not continuous,** they shall extend at least 12" beyond the top riser and at least 12" plus the width of one tread beyond the bottom riser. At the top, the extension shall be parallel with the floor or ground surface. At the bottom, the handrail shall continue to slope for a distance of the width of one tread from the bottom riser; the remainder of the extension shall be horizontal; (3) Clear space between the handrails and wall shall be 1 ½"; (4) Gripping surfaces shall be uninterrupted by newel posts, other construction elements or obstructions; (5) Top of handrail gripping surface shall be mounted between 30" – 34" above stair nosings; (6) Ends of handrails shall be either rounded or returned smoothly to floor, wall or post; (7) Handrails shall not rotate within their fittings;			

Facility Name_____
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Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	SIGNAGE:			
	Signage Location:			
4.1.2(15); 4.30.4; 4.30.3; 4.30.6;	***Signage*** *designating permanent rooms and spaces [including entrances/exits, elevators, restrooms and room numbers] must:* (1) have raised characters and pictorial system signs; (2) characters and background of signs shall be eggshell, matte or other non-glare finish; characters and symbols shall contrast with their backgrounds; (3) mounting location: signage must be mounted between 54"-66" above the finished floor (AFF) to the centerline of the sign; mounted on the wall adjacent to the latch side of the door;			
4.1.1(7); 4.30;	• Elements & spaces of accessible facilities which shall be identified by the International Symbol of Accessibility are: (1) Parking spaces designed as reserved for disabled persons; (2) Passenger loading zones; (3) Accessible entrances; and (4) Accessible toilet and bathing facilities;			

Facility Name_____
Date(s) of Review_____
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Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DOORS:			
	Door Location:			
4.13.2;	Accessible doors are standard single or double-leaf hinged doors, not revolving doors or turnstiles;			
4.13.6; Fig. 25(a); Fig. 25(b); Fig. 25(c); Fig. 25(d); Fig. 25(e); Fig. 25(f);	**Maneuvering Space at Door** varies depending on the type of door and how one approaches it for entry **(See Fig. 25);** For most swinging doors **For Front Approach;** on the **pull side**, 18" is needed **to the latch side of the door;** on the **push side**; 12" is needed **to the latch side of the door** if door has a closer & latch; **For Side Approach,** refer to 25(b) and (c); **For Sliding and Folding Doors,** refer to Fig. 25(d), (e) and (f);			
4.13.5; Fig. 24; 4.13.4;	**Door Width:** a clear opening width of at least 32" with the door open 90 degrees, measured between the face of the door and the opposite stop; If double doors are used, at least one door must comply with the above;			
4.13.10;	**Door w/ Closer:** Sweep period of door closing, from an open position of 70 degrees, is at least three (3) seconds to a point 3" from the latch;			
4.13.9; 4.13.11;	**Door Hardware:** Must be lever or push/pull type that does not require tight grasping, twisting or pinching of the wrist to operate, and can be operated with one hand;			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DOORS:			
	Must be mounted no higher than 48" above the finished floor (AFF); Maximum opening force (interior doors): 5 pounds; [Note: UFAS presently has no opening force requirement for exterior doors].			
4.29.3;	**Tactile Warnings on Doors to Hazardous Areas:** Doors that lead to areas that might prove dangerous to a blind person (i.e., loading platforms, boiler rooms) shall be made identifiable to the touch by a textured surface on the door handle, knob, pull or other operating hardware;			
4.13.8; *See* 4.5.2;	**Thresholds:** No greater than ½" in height with a beveled edge (except exterior sliding doors); No greater than ¾" in height (with a beveled edge) at exterior sliding doors; Raised thresholds and floor level changes at accessible doorways shall be beveled;			

Facility Name_____
Date(s) of Review_____
Address_____
Suite/Office Number_____
Telephone_____
TDD/TTY Number_____
Name of Reviewer(s)_____

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC OFFICES/MTG ROOMS/REC. ROOMS, ETC.:			
	Location of Public Offices, Etc.:			
4.3;	Located on an accessible route;			
4.3.3;	Minimum 36" clear, accessible route;			
4.13.6; Fig. 25(a); Fig. 25(b); Fig. 25(c); Fig. 25(d); Fig. 25(e); Fig. 25(f);	**Maneuvering Space at Door** varies depending on the type of door and how one approaches it for entry **(See Fig. 25);** <u>For most swinging doors</u> **For Front Approach;** on the **pull side**, 18" is needed **to the latch side of the door;** on the **push side**; 12" is needed **to the latch side of the door** if door has a closer & latch; **For Side Approach,** refer to 25(b) and (c); **For Sliding and Folding Doors,** refer to Fig. 25(d), (e) and (f);			
4.13.5; Fig. 24;	**Door Width:** a clear opening width of at least 32" with the door open 90 degrees, measured between the face of the door and the opposite stop;			
4.13.8; *See* 4.5.2;	**Thresholds:** No greater than ½" in height with a beveled edge (except exterior sliding doors); No greater than ¾" in height (with a beveled edge) at exterior sliding doors; Raised thresholds and floor level changes at accessible doorways shall be beveled;			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC OFFICES/MTG ROOMS/REC. ROOMS, ETC.:			
4.13.11;	**Door Opening Force:** maximum opening force for interior doors is 5 pounds; NOTE: UFAS presently has no opening force requirement for exterior doors;			
4.13.9; 4.13.11;	**Door Hardware:** Must be lever or push/pull type that does not require tight grasping, twisting or pinching of the wrist to operate, and can be operated with one hand; Must be mounted no higher than 48" above the finished floor (AFF);			
4.29.3;	**Tactile Warnings on Doors to Hazardous Areas:** Doors that lead to areas that might prove dangerous to a blind person (i.e., loading platforms, boiler rooms) shall be made identifiable to the touch by a textured surface on the door handle, knob, pull or other operating hardware;			
See 7.2; 4.32.4;	**Business/Transactional Counter:** (1) Where service counters exceeding 36" in height are provided, an auxiliary counter (in close proximity to the main counter), or a portion of the main counter, shall be provided with a maximum height of between 28" to 34" AFF; or, (2) An equivalent facilitation such as folding shelf or separate desk is to be provided;			
	OFFICE/MEETING ROOM/REC ROOM #2			
4.3;	Located on an accessible route;			
4.3.3;	Minimum 36" clear, accessible route;			
4.13.6; Fig. 25(a); Fig. 25(b); Fig. 25(c); Fig.	**Maneuvering Space at Door** varies depending on the type of door and how one approaches it for entry **(See Fig. 25);** For most swinging doors			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC OFFICES/MTG ROOMS/REC. ROOMS, ETC.:			
25(d); Fig. 25(e); Fig. 25(f);	**For Front Approach;** on the **pull side,** 18" is needed **to the latch side of the door;** on the **push side;** 12" is needed to **the latch side of the door** if door has a closer & latch; **For Side Approach,** refer to 25(b) and (c); **For Sliding and Folding Doors,** refer to Fig. 25(d), (e) and (f);			
4.13.5; Fig. 24;	**Door Width:** a clear opening width of at least 32" with the door open 90 degrees, measured between the face of the door and the opposite stop;			
4.13.8; *See* 4.5.2;	**Thresholds:** No greater than ½" in height with a beveled edge (except exterior sliding doors); No greater than ¾" in height (with a beveled edge) at exterior sliding doors; Raised thresholds and floor level changes at accessible doorways shall be beveled;			
4.13.11;	**Door Opening Force:** maximum opening force for interior doors is 5 pounds; NOTE: UFAS presently has no opening force requirement for exterior doors;			
4.13.9; 4.13.11;	**Door Hardware:** Must be lever or push/pull type that does not require tight grasping, twisting or pinching of the wrist to operate, and can be operated with one hand; Must be mounted no higher than 48" above the finished floor (AFF);			
4.29.3;	**Tactile Warnings on Doors to Hazardous Areas:** Doors that lead to areas that might prove dangerous to a blind person (i.e., loading platforms, boiler rooms) shall be made identifiable to the touch by a textured surface on the door handle, knob, pull or other operating hardware;			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC OFFICES/MTG ROOMS/REC. ROOMS, ETC.:			
	OFFICE/MEETING ROOM/REC ROOM #3			
4.3;	Located on an accessible route;			
4.3.3;	Minimum 36" clear, accessible route;			
4.13.6; Fig. 25(a); Fig. 25(b); Fig. 25(c); Fig. 25(d); Fig. 25(e); Fig. 25(f);	**Maneuvering Space at Door** varies depending on the type of door and how one approaches it for entry **(See Fig. 25);** For most swinging doors **For Front Approach;** on the **pull side**, 18" is needed **to the latch side of the door;** on the **push side**; 12" is needed **to the latch side of the door** if door has a closer & latch; **For Side Approach,** refer to 25(b) and (c); **For Sliding and Folding Doors,** refer to Fig. 25(d), (e) and (f);			
4.13.5; Fig. 24;	**Door Width:** a clear opening width of at least 32" with the door open 90 degrees, measured between the face of the door and the opposite stop;			
4.13.8; *See* 4.5.2;	**Thresholds:** No greater than ½" in height with a beveled edge (except exterior sliding doors); No greater than ¾" in height (with a beveled edge) at exterior sliding doors; Raised thresholds and floor level changes at accessible doorways shall be beveled;			
4.13.11;	**Door Opening Force:** maximum opening force for interior doors is 5 pounds; NOTE: UFAS presently has no opening force requirement for exterior doors;			
4.13.9; 4.13.11;	**Door Hardware:** Must be lever or push/pull type that does not require tight grasping, twisting			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC OFFICES/MTG ROOMS/REC. ROOMS, ETC.:			
	or pinching of the wrist to operate, and can be operated with one hand; Must be mounted no higher than 48" above the finished floor (AFF);			
4.29.3;	**Tactile Warnings on Doors to Hazardous Areas:** Doors that lead to areas that might prove dangerous to a blind person (i.e., loading platforms, boiler rooms) shall be made identifiable to the touch by a textured surface on the door handle, knob, pull or other operating hardware;			

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Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC RESTROOMS:			
	Public Restroom Location:	**LADIES** **MEN**		
4.22.1;	If public restrooms are provided, at least one (1) must be accessible and on an accessible route;			
4.30.4; 4.30.3; 4.30.6;	***Signage** designating permanent rooms and spaces [including entrances/exits, elevators, restrooms and room numbers] must:* (1) have raised characters and pictorial system signs; (2) characters and background of signs shall be eggshell, matte or other non-glare finish; characters and symbols shall contrast with their backgrounds; (3) mounting location: signage must be mounted between 54"-66" above the finished floor (AFF) to the centerline of the sign; mounted on the wall adjacent to the latch side of the door;			
4.13.6; Fig. 25(a); Fig. 25(b); Fig. 25(c); Fig. 25(d); Fig. 25(e); Fig. 25(f);	**Maneuvering Space at Door** varies depending on the type of door and how one approaches it for entry **(See Fig. 25);** <u>For most swinging doors</u> **For Front Approach;** on the **pull side,** 18" is needed **to the latch side of the door;** **Public Restroom Location** on the **push side;** 12" is needed **to the latch side of the door** if door has a closer & latch; **For Side Approach,** refer to 25(b) and (c); **For Sliding and Folding Doors,** refer to Fig. 25(d), (e) and (f);	**Ladies** **Men**		
4.13.5; Fig. 24;	**Door Width:** a clear opening width of at least 32" with the door open 90 degrees,			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC RESTROOMS:			
4.13.4; 4.22.2;	measured between the face of the door and the opposite stop; If double doors are used, at least one door must comply with the above; Doors shall not swing into the CFS required for any fixture;			
4.13.9;	**Door Hardware:** Must be lever or push/pull type that does not require tight grasping, twisting or pinching of the wrist to operate, and can be operated with one hand; Must be mounted no higher than 48" above the finished floor (AFF);			
4.29.3;	**Tactile Warnings on Doors to Hazardous Areas:** Doors that lead to areas that might prove dangerous to a blind person (i.e., loading platforms, boiler rooms) shall be made identifiable to the touch by a textured surface on the door handle, knob, pull or other operating hardware; **Public Restroom Location**	**Ladies** **Men**		
4.13.11;	**Door Opening Force:** Maximum force for pushing or pulling open an interior door shall be no greater than 5 pounds;			
4.13.8; *See* 4.5.2;	**Thresholds:** No greater than ½" in height with a beveled edge (except exterior sliding doors); No greater than ¾" in height (with a beveled edge) at exterior sliding doors; Raised thresholds and floor level changes at accessible doorways shall be beveled;			
4.17.5; 4.13; 4.17.3; Fig. 30(a); 4.16.4; Fig. 29; 4.17.6; Figs. 30	**ONLY FOR Toilet IN STALL:** **Toilet Stall** opening should be at least 32" wide; **Stall Dimensions:** If toilet is wall-mounted, is stall (facing toilet) at least 56" deep x 60"			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC RESTROOMS:			
A/b/c/d 4.26.2; 4.16.5;	wide? If toilet is floor-mounted, is stall (facing toilet) at least 59" deep x 60" wide? **Grab Bars (GBs)** are required on back and side of toilet: **Back:** At least 36" long, starting no more than 6" from side wall; **Side:** At least 40" long, starting no more than 12" from back wall; Centerline of GBs mounted between 33"-36" AFF; **Public Restroom Location** GBs between 1 ¼" to 1 ½" diameter; mounted at 1 ½" from wall; **Toilet Flush Control** mounted: No higher than 44" AFF; On wide side of toilet area;	**Ladies** **Men**		
4.23.3; 4.16; Fig. 28; 4.16.4; Fig. 29; 4.26.2; 4.16.5; 4.17.3; 4.17.6; Fig. 30 a/b/c/d	**ONLY FOR Toilet NOT IN STALL –** **For Toilet CFS** refer to Fig. 28; **Grab Bars (GBs)** are required on back and side of toilet; **Back:** At least 36" long w/ one end mounted at least 12" from centerline of toilet; **Side:** At least 42" long w/ front end a minimum 54" from back wall; Centerline of GBs mounted between 33" – 36" AFF; GBs between 1 ¼" to 1 ½" diameter; GBs mounted at 1 ½" from wall; **Toilet Flush Control** mounted: No higher than 44" AFF; On wide side of toilet area;			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC RESTROOMS:			
4.16.3; Fig. 28 & 29;	**Restroom Location:** **Toilets (Whether in Stall or Not):** Seats measured between 17" to 19" **AFF to top of seat;** Toilet **mounted at exactly 18" from center of toilet to closest side wall;**	**Ladies** **Men**		
4.16.6; Fig. 29(b);	**Toilet Paper Dispenser:** Mounted within reach and a minimum 19" AFF to the centerline of the toilet paper; Allows **continuous** paper delivery;			
4.18.2; 4.18.3; 4.27.4; 4.18.4;	**Urinals:** Elongated rim no more than 17" AFF; CFS is 30" x 48" for forward approach; Flush Controls: Mounted no more than 44" AFF; Automatic or operable w/ one hand without tight grasping, pinching, or twisting of the wrist;			
4.19.2; 4.19.3; 4.19.4; Fig. 31; Fig. 32;	**Lavatory [sink]:** With the **rim or counter surface** mounted at a maximum height of 34" AFF; Minimum 29" clearance AFF to the bottom of the apron of sink; Clear floor space (CFS) of at least 30" wide x 48" deep in front of lavatory; CFS can adjoin or overlap an accessible route and can extend a max. 19" underneath the lavatory; Drain and hot water pipes insulated;	**Ladies** **Men**		
4.19.5; 4.27.4;	**Faucet Controls:** Hand-operated or automatic; Do not require tight gripping,			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	PUBLIC RESTROOMS:			
	pinching or twisting of the wrist to operate;			
4.22.6; 4.19.6;	**Mirrors:** Mounted with bottom edge **of the reflecting surface** no greater than 40" AFF;			
4.22.7; 4.27; 4.2.5; 4.2.6;	**Dispensers/Other Elements:** **Clear floor space** of 30" x 48" to allow forward or parallel approach to: Paper Towels; Trash Receptacle; Coat Hooks; Feminine Hygiene; Etc. **Highest Operable Part** cannot exceed: 48" for forward approach, or 54" for side approach; Paper Towels; Trash Receptacle; Coat Hooks; Feminine Hygiene; Etc. Dispenser/element operated with one hand; without tight grasping, pinching, or twisting of the wrist;	**Ladies** **Men**		

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Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ELEVATOR/PLATFORM LIFT:			
	Elevator/Platform Lift Location:			
4.10.1; *See* 4.10;	Accessible elevators shall be on an accessible route;			
4.10.1;	Freight elevators are not acceptable as "accessible elevators" ***unless*** the only elevators provided are used as combination passenger & freight elevators for the public and employees;			
4.10.2;	**Automatic Operation:** Elevator operation shall be automatic;			
4.10.3; Fig. 20;	**Hall Call Buttons:** Call buttons in elevator lobbies and halls shall be centered at 42" above the finished floor (AFF); Call buttons shall have visual signals to indicate when each call is registered and when each call is answered; Call buttons shall be a minimum of ¾" in the smallest dimension; The button designating the "up" direction shall be on top; Buttons shall be raised or flush; Objects mounted beneath hall call buttons shall not project into the elevator lobby more than 4";			
4.10.4; Fig. 20;	**Hall Lanterns:** A visible and audible signal shall be provided at each hoistway entrance to indicate which car is answering a call; Audible signals shall sound once for the "up" direction and twice for the "down" direction or shall have verbal annunciators that say "up" or "down"; Visible signals shall be mounted			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ELEVATOR/PLATFORM LIFT:			
	with their centerline at least 72" above the lobby floor; Visual elements must be at least 2 ½" in the smallest dimension;			
4.10.5; 4.30; Fig. 20;	**Raised Characters on Hoistway Entrances:** All elevator hoistway entrances shall have ***raised*** floor designations provided on both jambs; The centerline of the characters shall be 60" from the floor; The characters shall be 2" high;			
4.10.6; Fig. 20;	**Door Protective & Reopening Device:** Elevator doors shall open and close automatically; Elevator doors shall be provided with a reopening device that will stop and reopen a car door and hoistway door automatically if the door becomes obstructed by an object or person;			
4.10.8;	**Door Delay for Car Calls:** The **minimum** time for elevator doors to remain fully open in response to a car call shall be 3 seconds;			
See 4.10.9; Fig. 22	**Floor Plan of Elevator Cars:** Elevator floor areas shall provide space for wheelchair users to enter the car, maneuver within reach of controls and exit from the car; Acceptable door opening and inside dimensions shall be as shown in Fig. 22; Clearance between the car platform sill and the edge of any hoistway landing shall be no greater than 1 ¼";			
See 4.10.10; 4.5;	**Elevator Floor Surfaces:** Elevator floor surfaces shall be firm, stable and slip-resistant;			
4.10.12(3); 4.10.12(4); Fig. 23	**Elevator Call Buttons (Inside Elevator):** Height: All floor buttons shall be no higher than 48", unless there is a			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ELEVATOR/PLATFORM LIFT:			
	substantial increase in cost, in which case the maximum mounting height may be increased to 54" above the floor; Location: Controls shall be located on a front wall if cars have center opening doors; and at the side wall or at the front wall next to the door if cars have side opening doors (Fig. 23(c) and (d));			
See 4.10.2; Fig. 23; 4.10.12(1); 4.10.12(2); 4.30; Fig. 23(a); 4.10.12(3); 4.10.12(4);	**Elevator Call Buttons (Inside Elevator):** All control buttons shall be at least ¾" in their smallest dimension; they may be raised or flush; All **control buttons shall be designated by raised** standard alphabet characters for letters, Arabic characters for numerals or standard symbols as shown in Fig. 23(a); Raised characters/symbols shall comply with 4.30; The call button for the main entry floor shall be designated by a ***raised star*** at the left of the floor designation (Fig. 23(a)); **All *raised* designations** for control buttons shall be placed immediately to the left of the button to which they apply; Floor buttons shall be provided with visual indicators to show when each call is registered; the visual indicators shall be extinguished when each call is answered;			
4.10.12(3); Figs. 23(a) & 23(b);	**Emergency Controls (Inside Elevator):** Emergency controls, including the emergency alarm and emergency stop, shall be grouped at the bottom of the panel and shall have their centerlines no less than 35" above the floor (Figs. 23(a) and (b));			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ELEVATOR/PLATFORM LIFT:			
4.10.13;	**Car Position Indicators:** In elevator cars, a visual car position indicator shall be provided above the car control panel or over the door to show the position of the elevator in the hoistway;			
4.10.14; 4.30; 4.27;	**Elevators – Emergency Communications:** If provided, the highest operable part of a 2-way communication system shall be a maximum of 48" from the floor of the car; The 2-way communication system shall be identified by a raised or recessed symbol and lettering complying with Sec. 4.30 and located adjacent to the device; Handset: If the emergency communication system uses a handset, the length of the cord from the panel to the handset shall be at least 29"; If the emergency communication system is located in a closed compartment, the compartment door hardware shall be mounted no less than 15" AFF; Door hardware shall be operable w/ one hand and shall not require tight grasping, pinching, or twisting of the wrist; Emergency Intercommunication System **shall not** require voice communication;			
4.11; 4.11.2; 4.2.4; 4.5; 4.27;	**PLATFORM LIFTS:** If platform lifts are used, they shall comply with Secs. 4.2.4; 4.5; 4.27; and the applicable safety regulations of administrative authorities having jurisdiction; If platform lifts are used, they should facilitate unassisted entry and exit from the lift in compliance with Sec. 4.11.2;			

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	DRINKING FOUNTAINS/WATER COOLERS:			
	Drinking Fountain Location:			
4.15.5(2); 4.15.5(1); Fig. 27;	Free-standing or built-in units shall have a clear floor space (CFS) at least 30" wide x 48" deep to allow a parallel approach; Wall- and post-mounted units shall have a clear knee space between bottom of apron to the floor at least: 27" high; And, a clear knee space of: 30" wide; and 17" to 19" deep to wall;			
4.15.2;	**Spout Height:** Shall be no higher than 36", measured from the floor or ground surface to the spout outlet;			
4.15.3;	**Spout Location:** Shall be at front of the unit and shall direct water flow in a trajectory that is parallel or nearly parallel to the front of the unit; Spout shall provide a flow of water at least 4" high so as to allow insertion of cup or glass under flow of water;			
4.15.4; 4.27.4;	**Controls:** Shall be front-mounted or side-mounted near the front edge; Shall be operable with one hand and shall not require tight grasping, pinching, or twisting of the wrist;			
4.4.1; Fig. 8(a); Fig. 8(b);	**Protruding Objects:** Objects, like drinking fountains, protruding from walls with their leading edges between 27" – 80" AFF shall protrude no more than 4" into walks, halls, corridors, passageways or aisles;			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DRINKING FOUNTAINS/WATER COOLERS:			
	Objects mounted with their leading edges at or below 27" AFF may protrude any amount;			

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Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	MISCELLANEOUS:			
	Misc. Location:			
4.1.2(16);	**Telephones:** At least one accessible telephone must be provided at each bank of telephones;			
4.31.2;	Clear Floor/Ground Space must be 30" x 48" to allow either forward or parallel approach;			
4.31.3; 4.2.5; 4.2.6;	**Telephone Mount Height:** The highest operable part of phone shall be no higher than: 48" for forward approach; 54" for parallel approach;			
4.1.2(16)(b); 4.31.5;	**Telephone Volume Control:** At least one public telephone must be equipped with volume control;			
4.31.8;	**Telephone Cord Length:** The cord from the telephone to the handset shall be a minimum of 29" long;			
4.31.7; 4.2.5; 4.2.6;	**Telephone Books:** If provided, the highest operable part of the phone book shall be no higher than: 48" for forward approach; 54" for parallel approach;			
4.4.1; Fig. 8(a); Fig. 8(b); 4.31.5;	**Protruding Objects:** Objects, like telephone, drinking fountains, etc., protruding from walls with their leading edges between 27" – 80" AFF shall protrude no more than 4" into walks, halls, corridors, passageways or aisles;			

Citation	EXTERIOR/COMMON AREAS ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	MISCELLANEOUS:			
	Objects mounted with their leading edges at or below 27" AFF may protrude any amount;			
4.33.7;	**Assistive Listening Systems** (public meeting rooms); Assistive Listening System provided? If so, what type(s)? How are these made available?			
Sec. 504 24 CFR Part 8.6;	**Effective Communication:** (1) Provision of qualified sign language interpreters; (2) Provision of documents in an alternate format for individuals with visual disabilities, i.e., Braille, large font, audiocassette, etc. Check for **"Effective Communication Policy"** Inquire about effective communication for: a. applicants; b. residents; c. members of the public;			

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Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE PARKING:			
	Accessible Parking Location:			
4.6.1; 4.1.1(5)(d);	Where parking is provided for all residents, one accessible parking space shall be provided for each accessible unit;			
4.6.2; 4.6.3; Fig. 9;	Designated accessible parking spaces should be located closest to the nearest accessible entrance, on an accessible route;			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE PARKING:			
4.6; Fig. 9;	Parking space should be at least 96" wide; Access aisle should be adjacent to parking space and at least 60" wide (note: two designated accessible parking spaces may share a common access aisle); Exception: the **access aisle for a designated van parking space should be at least 96" wide** and should be designated with a sign stating that it is "van accessible";			
4.6.3;	Slope and cross-slope of parking space & access aisle shall be level with surface slopes not exceeding 2% in all directions;			
4.6.4; 4.30.5; 4.1.1(7);	Signage: Parking spaces designated as reserved for persons with disabilities shall be identified by signage depicting the International Symbol of Accessibility; Signage shall be mounted at a height not obscured by a parked vehicle;			
4.7.4; 4.5.1; 4.3.6;	Surface is firm, stable and slip-resistant;			
4.7.2; 4.8.2; 4.7.3; 4.7.4; 4.5.1; 4.7.5; Figs. 12 & 13	Curb Ramps: Slope does not exceed 8.33%; At least 36" wide, excluding flared sides; Surface is firm, stable and slip-resistant; If no handrails, flared sides have a slope no greater than 10%;			

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Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE ROUTE:			
	Accessible Route Location :			
4.3.3; Fig. 7; 4.3.4;	**Minimum clear width** shall be 36" (except at doors); **Passing Space:** If accessible route is less than 60" clear width, then passing spaces at least 60" x 60" shall be located at reasonable intervals not to exceed every 200 feet;			
4.5.1; 4.3.8; 4.5.2;	**Surface**: firm, stable and slip-resistant; Changes in level between ¼" – ½" shall be beveled; Changes in level greater than ½" shall be accomplished by means of a ramp;			
4.4.1; 4.4.2; Fig. 8(a); Fig. 8(b);	**Protruding Objects**: Objects protruding from walls with their leading edges between 27"-80" above the finished floor (AFF) shall protrude no more than 4" into walks, halls, corridors, passageways or aisles (Fig. 8(a)); Objects mounted with their leading edges at or below 27" AFF may protrude any amount; Head Room: Walks, halls, corridors, passageways, aisles or other circulation spaces shall have 80" minimum clear head room;			
4.3.7; *See 4.8*	**Slope of route** may not exceed 5%; if slope is greater than 5%; it is a "ramp"			
4.3.7;	**Cross-slope** of route may not exceed 2%;			
4.5.4; Fig. 8(g);	**Grates** set in the direction of the route should be no greater than ½"			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	ACCESSIBLE ROUTE:			
Fig. 8(h);	wide; If gratings have elongated openings, then they shall be placed so that the long dimension is perpendicular to the dominant direction of travel;			
4.3.2(1);	At least one accessible route, *within* the boundary of the site, shall be provided from public transportation stops, parking, street and/or sidewalks to the accessible building entrance they serve;			
4.7.2; 4.8.2; 4.7.3; 4.7.4; 4.5.1; 4.7.5; Figs. 12 & 13	**Curb Ramps:** Slope does not exceed 8.33%; At least 36" wide, excluding flared sides; Surface is firm, stable and slip-resistant; If no handrails, flared sides have a slope no greater than 10%;			

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Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	Unit/Interior Route Location:			
4.13.6; Fig. 25(a); Fig. 25(b); Fig. 25(c); Fig. 25(d); Fig. 25(e); Fig. 25(f);	**Maneuvering Space at Door** varies depending on the type of door and how one approaches it for entry **(See Fig. 25);** For most swinging doors **For Front Approach;** on the **pull side**, 18" is needed **to the latch side of the door;** on the **push side**; 12" is needed **to the latch side of the door** if door has a closer & latch; **For Side Approach,** refer to 25(b) and (c); **For Sliding and Folding Doors,** refer to Fig. 25(d), (e) and (f);			
4.13.5;	**Door Width:** a clear opening width of at least 32" with the door open 90 degrees, measured between the face of the door and the opposite stop;			
4.13.9; 4.13.11;	**Dwelling Door Hardware:** Must be lever or push/pull type that does not require tight grasping, twisting or pinching of the wrist to operate, and can be operated with one hand; Must be mounted no higher than 48" above the finished floor (AFF); Interior door pressure should not exceed 5 pounds;			
4.13.8; *See* 4.5.2;	**Thresholds:** No greater than ½" in height with a beveled edge (except exterior sliding doors);			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	No greater than ¾" in height (with a beveled edge) at exterior sliding doors; Raised thresholds and floor level changes at accessible doorways shall be beveled;			
4.5.1; 4.3.8; 4.5.2;	**Floor:** Are floors in all accessible areas firm, stable and slip-resistant? Are changes in level between ¼" and ½" beveled with a slope no greater than 5%?			
4.5.3;	**Carpet:** Is it securely attached? Is it a level, low pile type of carpet with a firm pad or no pad at all?			
	BEDROOM(S)			
4.13.5; 4.34.2(15);	**Bedroom Door:** Minimum width of 32" measured from the face of the door to the opposite stop with the door open 90 degrees; NOTE: (1) In a one-bedroom or studio unit, is the sleeping area accessible and on an accessible route; or (2) In a two or more bedroom unit, are at least 2 bedrooms accessible and on an accessible route;	**Bedroom #1** **Bedroom #2**		
4.13.9; 4.13.11;	**Bedroom Door Hardware:** Must be lever or push/pull type that does not require tight grasping, twisting or pinching of the wrist to operate, and can be operated with one hand; Must be mounted no higher than 48" above the finished floor (AFF); Interior door pressure should not exceed 5 pounds;	**Bedroom #1** **Bedroom #2**		
4.13.5; 4.25.2; 4.2.4;	**Closets:** Doors not requiring full user passage, such as shallow closets,			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
4.25.3; 4.2.5; 4.25.4; 4.27.4;	may have the clear opening reduced to 20" minimum; Clear floor space of 30" wide x 48" deep in front of closet; Clothes rods a maximum of 54" from the floor, or adjustable heights; Door Hardware shall: Be operable with one hand; and Not require tight grasping, pinching or twisting of the wrist;			
4.34.2(15)(d) 4.13.8	**Outside Spaces:** If Patios, Terraces, Balconies, Carports, Garages and other "outside spaces" are provided, UFAS requires that: - they be on an accessible route; - threshold at exterior sliding door shall not exceed ¾" in height; - threshold at other types of doors shall not exceed ½" in height; - doorways shall have a minimum clear opening of 32" with the door open 90 degrees;			
	BATHROOMS			
4.34.5;	Located on an accessible route;			
4.13.5; Fig. 24	Doors should have a clear opening width clearance of at least 32" with the door open 90 degrees, measured between the face of the door and the opposite stop;			
4.13.9; 4.13.11;	**Bathroom Door Hardware:** Hardware should not require tight grasping, twisting or pinching of the wrist to operate; Hardware should be mounted no higher than 48" AFF; Door pressure should not exceed 5 pounds;			
4.34.5.2(2); Fig. 47;	**Water Closet (Toilet)** Toilet seat mounted 15" – 19" AFF measured to top of toilet seat;			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	Centerline of toilet: Exactly 18" from the closest side wall;			
4.34.5.2(3); 4.26; Fig. 29;	**Toilet Grab Bars (GBs):** **Back Wall:** GBs mounted 33" to 36" AFF; GBs minimum 36" in length; GBs measuring at least 12" from the centerline of the toilet **in each direction;** **Side Wall:** GBs mounted 33" to 36" AFF; GBs minimum 42" in length; GBs beginning 12" from back wall; GBs should be mounted **exactly** 1 ½" from wall; GBs should have diameter between 1 ¼" to 1 ½";			
4.34.5.2(4); Fig. 47(b);	**Toilet Paper Dispenser:** Highest operable part located within reach at a minimum of 19" AFF;			
4.19; 4.19.2; 4.19.4; 4.22.6; 4.34.5.3(1); Fig. 31;	**Lavatory (Sink):** Mounted with **rim or counter surface** no greater than 34" AFF; Clearance of at least 29" from floor to bottom of apron of sink; Knee clearance shall be 8" minimum; **Pipes under sink must be insulated or wrapped;**			
4.19; 4.22.6; 4.34.5.3(1); 4.27;	**Lavatory (sink) controls:** Operable with one hand; and does not require tight grasping, twisting or pinching of the wrist to operate;			
4.19.3; 4.23.3; Fig. 32;	Clear floor space (CFS) of at least 30" wide x 48" deep in front of lavatory; CFS can extend a maximum 19" underneath the lavatory;			
4.34.5.3(1); 4.22.6; 4.19.6;	**Mirror:** Mounted with bottom edge **of the reflecting surface** no greater than			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	40" AFF;			
4.34.5.3(3);	**Medicine Cabinet:** Mounted w/ bottom edge of **usable shelf** no greater than 44" AFF;			
4.20.2 & Fig. 33; Fig. 34; 4.34.5.4;	**Bathtubs:** CFS in front of bathtub is: (1) 30" x 60" w/ seat in tub; or (2) 48" x 60" w/ seat in tub; or (3) 30" x 75" w/ seat at head of tub;			
4.34.5.4(5);	**Tub Shower Spray Unit:** Fixed **unit** at various heights or hand-held w/ hose **at least 60" long;**			
4.34.5.4(4); 4.27.4; Fig. 34;	**Controls:** Operable w/ one hand and not require tight grasping or twisting of the wrist; Controls shall be located on wall opposite seat;			
4.34.5.4(3); Fig. 48; Fig. 34; 4.26;	**Tub Grab Bar (GB) Locations:** **<u>With Seat in Tub</u>:** **At foot of tub,** GB at least 24" long w/ controls mounted below GB; Mounted between 33" – 36" AFF; **At "back"/side of tub,** two GBs (one over the other); each a min. 24" in length; Beginning no more than 12" from foot of tub, And no more than 24" from head of tub; The bottom GB is mounted 9" above the top level of tub; And the top GB is mounted between 33" - 36" AFF; **At head of tub,** GB at least 12" long; Mounted between 33" –.36" AFF; **<u>OR</u>**			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	With seat at head of tub: **At foot of tub,** GB at least 24" long w/ controls mounted below GB; Mounted between 33" – 36" AFF; **At "back"/side of tub,** two GB (one over the other); each a min. 48" in length; Beginning no more than 12" from foot of tub, And no more than 15" from head of tub; The bottom **GB** is mounted 9" above top level of tub; And the top **GB** is mounted between 33" – 36" AFF;			
4.34.5.4(2); Fig. 33; Fig. 34;	**SHOWER:** **GB Size and Spacing:** Mounted exactly 1 ½" from wall; Diameter between 1 ¼" to 1 ½";			
4.21.4; 4.26; Fig. 37; Fig. 35; 4.34.5.5(3); Fig. 36;	**Shower GB Locations and Sizes:** **In 36" x 36" Unit:** GBs mounted between 33" – 36" above the shower floor; **Back Wall:** 18" long, starting at front of shower; **Control Wall:** No length requirement; **In 30" x 60" Unit:** GBs mounted between 33" – 36" above the shower floor; No GB length requirement for side, back and control wall;			
4.34.5.5(1); Fig. 35(a) or Fig. 35(b);	**Shower Stalls:** Size: 36" x 36"; or Size: 30" x 60" (fits into space required for bathtub);			
4.34.5.5(2); Fig. 35(a); Fig. 35(b); 4.26.3;	**Shower Seat:** **Shall be provided in 36" x 36" stalls;** Must be mounted 17" – 19" from the floor; and Extend the full depth of the stall; and Located on wall opposite the			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	controls; and Mounted securely and shall not slip during use;			
4.34.5.5(5);	**Shower Spray Unit:** Shower spray **unit** with a hose **at least 60" long** that can be used as a fixed shower head at various heights or as a hand-held shower.			
4.34.5.5(4); Fig. 37; 4.21.5;	**Shower Controls:** Located between 38" – 48" above the shower stall floor; Mounted on wall opposite seat; Operable with one hand and does not require any tight grasping, pinching, or twisting of the wrist; **In shower stalls 36" x 36",** all controls, faucets & shower unit shall be mounted on the side wall opposite the seat;			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	KITCHEN			
4.34.6; 4.34.2(13);	On an accessible route;			
4.34.6.1;	**Clearance** between/among all opposing cabinets, counters, appliances or walls must be at least 40" (except with U-shaped kitchens); U-shaped kitchens must have a minimum of 60" clear floor space (CFS);			
4.34.6.1;	**Clear Floor Space** at least 30" wide x 48" deep must be at the following types of appliances: Oven; Range; Cook top; Dishwasher; Refrigerator; Storage facilities; and Counter; Etc.			
4.34.6.4(1); 4.34.6.4(4);	**Kitchen Counters/Work Surfaces:** At least one 30" section of the counter shall provide a work surface; Counter/work surface must be no greater than 34" AFF or shall be adjustable or replaceable to provide alternative heights of 28", 32", and 36"; CFS of 30" wide x 48" deep shall allow a forward approach to the counter/work surface; 19" maximum of the CFS may extend underneath the counter/work surface; Clear knee space must measure a minimum of 30" wide and 19" deep;			
4.34.6.5(8);	**Kitchen Pipes** must be insulated or wrapped;			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
4.34.6.5; Fig. 51;	**Kitchen Sinks:** Must be mounted no greater than 34" AFF or shall be adjustable or replaceable to provide alternative heights of 28", 32", and 36"; Sink depth must be no greater than 6 ½"; Sink and counter area must be a minimum of 30" wide; Base cabinets, if provided, under sink shall be removable under the full 30" min. frontage of sink and surrounding counter. Finished flooring shall extend under the counter to the wall;			
4.34.6.7; Fig. 52;	**Kitchen Oven:** Is Oven Self-Cleaning? If not, oven must be located adjacent to an **adjustable** height counter w/ a 30" minimum width clear open space below for knee space; and **Side Opening Ovens** must have a **door latch** next to the open counter space and a pullout shelf under the oven at least as wide as the oven and at least 10" deep; Oven controls shall be located on the front panel (on either side of door); Oven controls can be operated with one hand and not require twisting of the wrist or tight grasping;			
4.34.6.7; 4.27;	**Kitchen Range/Cook-tops:** Controls can be used without reaching across burners; Controls can be operated with one hand and not require tight grasping, pinching or twisting of the wrist; If ovens or cook-tops have knee spaces underneath, then they shall be insulated or otherwise protected on the exposed contact surfaces to prevent burns, abrasions or electrical			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	shock.			
4.34.6.8(2)(a)	**Kitchen Refrigerator:** Is freezer self-defrosting? If not, at least 50% of the freezer of an over/under style refrigerator must be at least 54" AFF;			
4.34.6.8; 4.34.6.3; 4.27;	**Refrigerator Controls:** Can controls be operated w/ one hand and not require tight grasping, pinching, or twisting of the wrist; Parallel approach requires that controls are no higher than 54" AFF;			
4.34.6.2;	**Approach:** Front and parallel approach to refrigerator must have a minimum of 30" x 48" of CFS;			
4.34.6.9; 4.34.6.3; 4.27;	**Dishwasher:** Rack space accessible from front; Controls operable with one hand and not require tight grasping, pinching, or twisting of the wrist to operate;			
4.34.7;	**Washer/Dryer:** If washer/dryer is provided in unit, highest operable part of machine must be no greater than 54" AFF (parallel approach); Must be a minimum 30" x 48" CFS;			
4.34.6.3; 4.27.4;	**Appliance Hardware and Controls:** Must be easy to use and not require tight grasping, pinching or twisting of the wrist to operate;			
4.34.2(9); 4.27; Fig. 4;	**Controls:** There must be a CFS of 30" wide x 48" deep in front of the following types of controls, including: thermostats; heating/air conditioning; light switches; electrical wall outlets; garbage disposal switches, etc.			

Citation	DWELLING UNIT ACCESSIBLE ELEMENTS	Measurements/Comments	N/C Finding *	Picture No. **
	DWELLING UNIT/INTERIOR ROUTE:			
	Forward Approach: Highest operable part of control no more than 48" AFF; Lowest operable part of control no more than 15" AFF; **OR** **Side Approach:** Highest operable part of control no more than 54" AFF; Lowest operable part of control no more than 9" AFF; **Exception:** where the use of special equipment dictates otherwise, electrical & communications system receptacles on walls shall be mounted no less than 15" AFF;			
4.34.6.10; 4.25.2; 4.25.3; Fig. 50;	**Kitchen Storage:** 30" x 48" CFS; **Side Approach:** Is storage space between 9" to 54" AFF? **Front Approach:** Is storage space between 15" to 48" AFF? Maximum height shall be 48" for **at least one shelf of all cabinets and storage shelves mounted above work counters;** Door pulls or handles for **wall cabinets** shall be mounted as close to the bottom of cabinet doors as possible; Door pulls or handles for **base cabinets** shall be mounted as close to the top of cabinet doors as possible;			

Facility Name_____
Date(s) of Review_____
Address_____
Suite/Office Number_____
Telephone_____
TDD/TTY Number_____
Name of Reviewer(s)_____

Citation	DWELLING UNIT COMMON SPACES/FACILITIES	Measurements/Comments	N/C Finding *	Picture No. **
	MAILBOXES:			
	Mailbox Location :			
	NOTE: Disabled residents can request the U.S. Postal Service to accommodate their disability by assigning them a mailbox on the bottom row.			
4.3;	Located on an accessible route;			
4.2; 4.1; 4.2.5; 4.2.6;	Clear floor space (CFS) of at least 30" wide x 48" deep; (a) Front approach: mailboxes mounted no greater than 48" above the finished floor (AFF); (b) Parallel approach: mailboxes mounted no greater than 54" AFF;			
4.27.4;	Mailbox can be opened/closed with one hand; Mailbox does not require tight grasping, pinching, or twisting of wrist;			
4.2.3;	If turning clearance is required to exit the mail area, the following must be provided: A 60" diameter of CFS; Or a "T" shaped space in which a 180 degree turn can be made;			

Facility Name_____
Date(s) of Review_____
Address_____
Suite/Office Number_____
Telephone_____
TDD/TTY Number_____
Name of Reviewer(s)_____

Citation	DWELLING UNIT COMMON SPACES/FACILITIES	Measurements/Comments	N/C Finding *	Picture No. **
	LAUNDRY FACILITIES:			
	Laundry Location:			
4.3;	Located on an accessible route;			
4.3.3;	Minimum 36" clear, accessible route;			
4.13.6; Fig. 25(a); Fig. 25(b); Fig. 25(c); Fig. 25(d); Fig. 25(e); Fig. 25(f);	**Maneuvering Space at Door** varies depending on the type of door and how one approaches it for entry **(See Fig. 25);** For most swinging doors **For Front Approach;** on the **pull side**, 18" is needed **to the latch side of the door;** on the **push side**; 12" is needed **to the latch side of the door** if door has a closer & latch; **For Side Approach,** refer to 25(b) and (c); **For Sliding and Folding Doors,** refer to Fig. 25(d), (e) and (f);			
4.13.5; Fig. 24;	**Door Width:** a clear opening width of at least 32" with the door open 90 degrees, measured between the face of the door and the opposite stop;			
4.13.8; *See* 4.5.2;	**Thresholds:** No greater than ½" in height with a beveled edge (except exterior sliding doors); No greater than ¾" in height (with a beveled edge) at exterior sliding doors; Raised thresholds and floor level changes at accessible doorways shall be beveled;			
4.13.11;	**Door Opening Force:** Maximum opening force for interior doors is 5 pounds;			

Citation	DWELLING UNIT COMMON SPACES/FACILITIES	Measurements/Comments	N/C Finding *	Picture No. **
	LAUNDRY FACILITIES:			
	NOTE: UFAS presently has no opening force requirement for exterior doors;			
4.13.9; 4.13.11;	**Accessible Door Hardware:** Must be lever handle or push/pull type that does not require tight grasping, twisting or pinching of the wrist to operate, and can be opened with one hand; Must be mounted no higher than 48" AFF;			
4.34.7.2;	Minimum of one (1) front-loading washer and dryer;			
4.34.7.3; 4.27.2; 4.2.5; 4.2.6;	Minimum 30" wide x 48" deep CFS to approach machines: (a) Forward approach: highest operable part mounted no greater than 48" AFF; (b) Parallel approach: highest operable part mounted no greater than 54" AFF;			
4.34.7.3; 4.27.4;	Machine Controls: Must be operable with one hand; Must not require tight grasping, pinching, or twisting of the wrist;			
4.2.3;	If turning clearance is required to exit/maneuver in laundry facility, 60" diameter of CFS must be provided;			

Facility Name_____
Date(s) of Review_____
Address_____
Suite/Office Number_____
Telephone_____
TDD/TTY Number_____
Name of Reviewer(s)_____

Citation	DWELLING UNIT COMMON SPACES/FACILITIES	Measurements/Comments	N/C Finding *	Picture No. **
	DUMPSTER – PICNIC AREAS – ACCESSIBLE ROUTE:			
	Dumpster – Picnic Area, Etc. Location :			
4.3.2(4); 4.3; 4.2.6;	**UFAS does not have specific requirements regarding Trash Receptacles/Dumpsters, Picnic Areas or Playgrounds. However, UFAS requires that an accessible route shall connect at least one accessible entrance of each accessible dwelling unit with those exterior and interior spaces and facilities that serve the accessible dwelling unit.**			
	Trash Receptacle/Dumpster: Located on accessible route; Reach range to deposit trash in receptacle/dumpster: Forward approach – maximum high reach range shall be 48" AFF; Side approach – maximum high reach range shall be 54" AFF;			
	Picnic Area: Located on an accessible route;			
	Playground: Located on an accessible route;			

Exhibit J

HUD regulation 24 C.F.R. Part 135 (Section 3)

NOT USED

EXHIBIT J

APPENDIX TO PART 135

AUTHORITY: 12 U.S.C. 1701u; 42 U.S.C. 3535(d).

SOURCE: 59 FR 33880, June 30, 1994, unless otherwise noted.

EFFECTIVE DATE NOTE: At 59 FR 33880, June 30, 1994, part 135 was revised effective August 1, 1994 through June 30, 1995. At 60 FR 28325, May 31, 1995, the effective period was extended until the final rule implementing changes made to section 3 of the Housing and Urban Development Act of 1968 by the Housing and Community Development Act of 1992 is published and becomes effective.

Subpart A—General Provisions

§ 135.1 Purpose.

(a) *Section 3.* The purpose of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

(b) *Part 135.* The purpose of this part is to establish the standards and procedures to be followed to ensure that the objectives of section 3 are met.

§ 135.2 Effective date of regulation.

The regulations of this part will remain in effect until the date the final rule adopting the regulations of this part with or without changes is published and becomes effective, at which point the final rule will remain in effect.

[60 FR 28326, May 31, 1995]

§ 135.3 Applicability.

(a) *Section 3 covered assistance.* Section 3 applies to the following HUD assistance (section 3 covered assistance):

(1) *Public and Indian housing assistance.* Section 3 applies to training, employment, contracting and other economic opportunities arising from the expenditure of the following public and Indian housing assistance:

(i) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);

(ii) Operating assistance provided pursuant to section 9 of the 1937 Act; and

(iii) Modernization assistance provided pursuant to section 14 of the 1937 Act;

(2) *Housing and community development assistance.* Section 3 applies to training, employment, contracting and other economic opportunities arising in connection with the expenditure of housing assistance (including section 8 assistance, and including other housing assistance not administered by the Assistant Secretary of Housing) and community development assistance that is used for the following projects;

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; and

(iii) Other public construction.

(3) *Thresholds*—(i) *No thresholds for section 3 covered public and Indian housing assistance.* The requirements of this part apply to section 3 covered assistance provided to recipients, notwithstanding the amount of the assistance provided to the recipient. The requirements of this part apply to all contractors and subcontractors performing work in connection with projects and activities funded by public and Indian housing assistance covered by section 3, regardless of the amount of the contract or subcontract.

(ii) *Thresholds for section 3 covered housing and community development assistance*—(A) *Recipient thresholds.* The requirements of this part apply to recipients of other housing and community development program assistance for a section 3 covered project(s) for which the amount of the assistance exceeds $200,000.

(B) *Contractor and subcontractor thresholds.* The requirements of this part apply to contractors and subcontractors performing work on section 3 covered project(s) for which the amount of the assistance exceeds $200,000; and the contract or subcontract exceeds $100,000.

(C) *Threshold met for recipients, but not contractors or subcontractors.* If a recipient receives section 3 covered housing or community development assistance in excess of $200,000, but no contract exceeds $100,000, the section 3 preference requirements only apply to the recipient.

(b) *Applicability of section 3 to entire project or activity funded with section 3 assistance.* The requirements of this part apply to the entire project or activity that is funded with section 3 covered assistance, regardless of whether the section 3 activity is fully or partially funded with section 3 covered assistance.

(c) *Applicability to Indian housing authorities and Indian tribes.* Indian housing authorities and tribes that receive HUD assistance described in paragraph (a) of this section shall comply with the procedures and requirements of this part to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)). (See 24 CFR part 905.)

(d) *Other HUD assistance and other Federal assistance.* Recipients, contractors and subcontractors that receive HUD assistance, not listed in paragraph (a) of this section, or other Federal assistance, are encouraged to provide, to the greatest extent feasible, training, employment, and contracting opportunities generated by the expenditure of this assistance to low- and very low-income persons, and business concerns owned by low- and very low-income persons, or which employ low- and very low-income persons.

§ 135.5 Definitions.

The terms *Department, HUD, Indian housing authority (IHA), Public housing agency (PHA),* and *Secretary* are defined in 24 CFR part 5.

Annual Contributions Contract (ACC) means the contract under the U.S. Housing Act of 1937 (1937 Act) between HUD and the PHA, or between HUD and the IHA, that contains the terms and conditions under which HUD assists the PHA or the IHA in providing decent, safe, and sanitary housing for low income families. The ACC must be in a form prescribed by HUD under which HUD agrees to provide assistance in the development, modernization and/or operation of a low income housing project under the 1937 Act, and the PHA or IHA agrees to develop, modernize and operate the project in compliance with all provisions of the ACC and the 1937 Act, and all HUD regulations and implementing requirements and procedures. (The ACC is not a form of procurement contract.)

Applicant means any entity which makes an application for section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association.

Assistant Secretary means the Assistant Secretary for Fair Housing and Equal Opportunity.

Business concern means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Business concern that provides economic opportunities for low- and very low-income persons. See definition of "section 3 business concern" in this section.

Contract. See the definition of "section 3 covered contract" in this section.

Contractor means any entity which contracts to perform work generated by the expenditure of section 3 covered assistance, or for work in connection with a section 3 covered project.

Employment opportunities generated by section 3 covered assistance means all employment opportunities generated by the expenditure of section 3 covered public and Indian housing assistance (i.e., operating assistance, development assistance and modernization assistance, as described in §135.3(a)(1)). With respect to section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection

with section 3 covered projects (as described in §135.3(a)(2)), including management and administrative jobs connected with the section 3 covered project. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing authority (HA) means, collectively, public housing agency and Indian housing authority.

Housing and community development assistance means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing development means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

HUD Youthbuild programs mean programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

Indian tribes shall have the meaning given this term in 24 CFR part 571.

JTPA means the Job Training Partnership Act (29 U.S.C. 1579(a)).

Low-income person. See the definition of "section 3 resident" in this section.

Metropolitan area means a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

Neighborhood area means:

(1) For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.

(2) For HUD community development programs, see the definition, if provided, in the regulations for the applicable community development program, or the definition for this term in 24 CFR 570.204(c)(1).

New hires mean full-time employees for permanent, temporary or seasonal employment opportunities.

Nonmetropolitan county means any county outside of a metropolitan area.

Other HUD programs means HUD programs, other than HUD public and Indian housing programs, that provide housing and community development assistance for "section 3 covered projects," as defined in this section.

Public housing resident has the meaning given this term in 24 CFR part 963.

Recipient means any entity which receives section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which section 3 applies and does not include contractors.

Section 3 means section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means a business concern, as defined in this section—

(1) That is 51 percent or more owned by section 3 residents; or

(2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or

(3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."

Section 3 clause means the contract provisions set forth in § 135.38.

Section 3 covered activity means any activity which is funded by section 3 covered assistance public and Indian housing assistance.

Section 3 covered assistance means: (1) Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;

(2) Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;

(3) Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;

(4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; or

(iii) Other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 covered contract means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of section 3 covered assistance, or for work arising in connection with a section 3 covered project. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by section 3.

Section 3 covered project means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 joint venture. See § 135.40.

Section 3 resident means: (1) A public housing resident; or

(2) An individual who resides in the metropolitan area or nonmetropolitan county in which the section 3 covered assistance is expended, and who is:

(i) *A low-income person,* as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or

(ii) *A very low-income person,* as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that

such variations are necessary because of unusually high or low family incomes.

(3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Section 8 assistance means assistance provided under section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

Service area means the geographical area in which the persons benefitting from the section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the section 3 covered assistance is expended. In HUD's Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power, is limited to the area of tribal jurisdiction.

Subcontractor means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of section 3 covered assistance, or arising in connection with a section 3 covered project.

Very low-income person. See the definition of "section 3 resident" in this section.

Youthbuild programs. See the definition of "HUD Youthbuild programs" in this section.

[59 FR 33880, June 30, 1994, as amended at 61 FR 5206, Feb. 9, 1996]

§ 135.7 Delegation of authority.

Except as may be otherwise provided in this part, the functions and responsibilities of the Secretary under section 3, and described in this part, are delegated to the Assistant Secretary for Fair Housing and Equal Opportunity. The Assistant Secretary is further authorized to redelegate functions and responsibilities to other employees of HUD; *provided however*, that the authority to issue rules and regulations under this part, which authority is delegated to the Assistant Secretary, may not be redelegated by the Assistant Secretary.

§ 135.9 Requirements applicable to HUD NOFAs for section 3 covered programs.

(a) *Certification of compliance with part 135.* All notices of funding availability (NOFAs) issued by HUD that announce the availability of funding covered by section 3 shall include a provision in the NOFA that notifies applicants that section 3 and the regulations in part 135 are applicable to funding awards made under the NOFA. Additionally the NOFA shall require as an application submission requirement (which may be specified in the NOFA or application kit) a certification by the applicant that the applicant will comply with the regulations in part 135. (For PHAs, this requirement will be met where a PHA Resolution in Support of the Application is submitted.) With respect to application evaluation, HUD will accept an applicant's certification unless there is evidence substantially challenging the certification.

(b) *Statement of purpose in NOFAs.* (1) For competitively awarded assistance in which the grants are for activities administered by an HA, and those activities are anticipated to generate significant training, employment or contracting opportunities, the NOFA must include a statement that one of the purposes of the assistance is to give to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(2) For competitively awarded assistance involving housing rehabilitation, construction or other public construction, where the amount awarded to the applicant may exceed $200,000, the NOFA must include a statement that one of the purposes of the assistance is to give, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(c) *Section 3 as NOFA evaluation criteria.* Where not otherwise precluded by statute, in the evaluation of applications for the award of assistance, consideration shall be given to the extent to which an applicant has demonstrated that it will train and employ section 3 residents and contract with section 3 business concerns for economic opportunities generated in connection with the assisted project or activity. The evaluation criteria to be utilized, and the rating points to be assigned, will be specified in the NOFA.

§ 135.11 Other laws governing training, employment, and contracting.

Other laws and requirements that are applicable or may be applicable to the economic opportunities generated from the expenditure of section 3 covered assistance include, but are not necessarily limited to those listed in this section.

(a) *Procurement standards for States and local governments (24 CFR 85.36)*—(1) *General.* Nothing in this part 135 prescribes specific methods of procurement. However, neither section 3 nor the requirements of this part 135 supersede the general requirement of 24 CFR 85.36(c) that all procurement transactions be conducted in a competitive manner. Consistent with 24 CFR 85.36(c)(2), section 3 is a Federal statute that expressly encourages, to the maximum extent feasible, a geographic preference in the evaluation of bids or proposals.

(2) *Flexible Subsidy Program.* Multifamily project mortgagors in the Flexible Subsidy Program are not required to utilize the methods of procurement in 24 CFR 85.36(d), and are not permitted to utilize methods of procurement that would result in their award of a contract to a business concern that submits a bid higher than the lowest responsive bid. A multifamily project mortgagor, however, must ensure that, to the greatest extent feasible, the procurement practices it selects provide preference to section 3 business concerns.

(b) *Procurement standards for other recipients (OMB Circular No. A–110).* Nothing in this part prescribes specific methods of procurement for grants and other agreements with institutions of higher education, hospitals, and other nonprofit organizations. Consistent with the requirements set forth in OMB Circular No. A–110, section 3 is a Federal statute that expressly encourages a geographic preference in the evaluation of bids or proposals.

(c) *Federal labor standards provisions.* Certain construction contracts are subject to compliance with the requirement to pay prevailing wages determined under Davis-Bacon Act (40 U.S.C. 276a—276a–7) and implementing U.S. Department of Labor regulations in 29 CFR part 5. Additionally, certain HUD-assisted rehabilitation and maintenance activities on public and Indian housing developments are subject to compliance with the requirement to pay prevailing wage rates, as determined or adopted by HUD, to laborers and mechanics employed in this work. Apprentices and trainees may be utilized on this work only to the extent permitted under either Department of Labor regulations at 29 CFR part 5 or for work subject to HUD-determined prevailing wage rates, HUD policies and guidelines. These requirements include adherence to the wage rates and ratios of apprentices or trainees to journeymen set out in "approved apprenticeship and training programs," as described in paragraph (d) of this section.

(d) *Approved apprenticeship and trainee programs.* Certain apprenticeship and trainee programs have been approved by various Federal agencies. Approved apprenticeship and trainee programs include: an apprenticeship program approved by the Bureau of Apprenticeship and Training of the Department of Labor, or a State Apprenticeship Agency, or an on-the-job training program approved by the Bureau of Apprenticeship and Training, in accordance with the regulations at 29 CFR part 5; or a training program approved by HUD in accordance with HUD policies and guidelines, as applicable. Participation in an approved apprenticeship program does not, in and of itself, demonstrate compliance with the regulations of this part.

(e) *Compliance with Executive Order 11246.* Certain contractors covered by this part are subject to compliance with Executive Order 11246, as amended

by Executive Order 12086, and the Department of Labor regulations issued pursuant thereto (41 CFR chapter 60) which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

Subpart B—Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

§ 135.30 Numerical goals for meeting the greatest extent feasible requirement.

(a) *General.* (1) Recipients and covered contractors may demonstrate compliance with the "greatest extent feasible" requirement of section 3 by meeting the numerical goals set forth in this section for providing training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(2) The goals established in this section apply to the entire amount of section 3 covered assistance awarded to a recipient in any Federal Fiscal Year (FY), commencing with the first FY following the effective date of this rule.

(3) For recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring, and subcontracting, recipients must ensure that, to the greatest extent feasible, contractors will provide training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(4) The numerical goals established in this section represent minimum numerical targets.

(b) *Training and employment.* The numerical goals set forth in paragraph (b) of this section apply to new hires. The numerical goals reflect the aggregate hires. Efforts to employ section 3 residents, to the greatest extent feasible, should be made at all job levels.

(1) *Numerical goals for section 3 covered public and Indian housing programs.* Recipients of section 3 covered public and Indian housing assistance (as described in §135.5) and their contractors and subcontractors may demonstrate compliance with this part by committing to employ section 3 residents as:

(i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(ii) 20 percent of the aggregate number of new hires for the one period beginning in FY 1996;

(iii) 30 percent of the aggregate number of new hires for one year period beginning in FY 1997 and continuing thereafter.

(2) *Numerical goals for other HUD programs covered by section 3.* (i) Recipients of section 3 covered housing assistance provided under other HUD programs, and their contractors and subcontractors (unless the contract or subcontract awards do not meet the threshold specified in §135.3(a)(3)) may demonstrate compliance with this part by committing to employ section 3 residents as 10 percent of the aggregate number of new hires for each year over the duration of the section 3 project;

(ii) Where a managing general partner or management agent is affiliated, in a given metropolitan area, with recipients of section 3 covered housing assistance, for an aggregate of 500 or more units in any fiscal year, the managing partner or management agent may demonstrate compliance with this part by committing to employ section 3 residents as:

(A) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(B) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996;

(C) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997, and continuing thereafter.

(3) Recipients of section 3 covered community development assistance, and their contractors and subcontractors (unless the contract or subcontract awards do not meet the threshold specified in §135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to employ section 3 residents as:

(i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(ii) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996; and

(iii) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997 and continuing thereafter.

(c) *Contracts.* Numerical goals set forth in paragraph (c) of this section apply to contracts awarded in connection with all section 3 covered projects and section 3 covered activities. Each recipient and contractor and subcontractor (unless the contract or subcontract awards do not meet the threshold specified in §135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to award to section 3 business concerns:

(1) At least 10 percent of the total dollar amount of all section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

(2) At least three (3) percent of the total dollar amount of all other section 3 covered contracts.

(d) *Safe harbor and compliance determinations.* (1) In the absence of evidence to the contrary, a recipient that meets the minimum numerical goals set forth in this section will be considered to have complied with the section 3 preference requirements.

(2) In evaluating compliance under subpart D of this part, a recipient that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. A recipient or contractor also can indicate other economic opportunities, such as those listed in §135.40, which were provided in its efforts to comply with section 3 and the requirements of this part.

§135.32 Responsibilities of the recipient.

Each recipient has the responsibility to comply with section 3 in its own operations, and ensure compliance in the operations of its contractors and subcontractors. This responsibility includes but may not be necessarily limited to:

(a) Implementing procedures designed to notify section 3 residents about training and employment opportunities generated by section 3 covered assistance and section 3 business concerns about contracting opportunities generated by section 3 covered assistance;

(b) Notifying potential contractors for section 3 covered projects of the requirements of this part, and incorporating the section 3 clause set forth in §135.38 in all solicitations and contracts.

(c) Facilitating the training and employment of section 3 residents and the award of contracts to section 3 business concerns by undertaking activities such as described in the Appendix to this part, as appropriate, to reach the goals set forth in §135.30. Recipients, at their own discretion, may establish reasonable numerical goals for the training and employment of section 3 residents and contract award to section 3 business concerns that exceed those specified in §135.30;

(d) Assisting and actively cooperating with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with the requirements of this part, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR part 135.

(e) Documenting actions taken to comply with the requirements of this part, the results of actions taken and impediments, if any.

(f) A State or county which distributes funds for section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in 135.30 regardless of the number of local governments receiving funds from the section 3 covered assistance which meet the thresholds for applicability set forth at 135.3. The State or county must inform units of local government to whom funds are distributed of the requirements of this part; assist

local governments and their contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this part.

§ 135.34 Preference for section 3 residents in training and employment opportunities.

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of section 3 covered assistance to section 3 residents in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to provide training and employment opportunities to section 3 residents in the following order of priority:

(i) Residents of the housing development or developments for which the section 3 covered assistance is expended (category 1 residents);

(ii) Residents of other housing developments managed by the HA that is expending the section 3 covered housing assistance (category 2 residents);

(iii) Participants in HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 residents);

(iv) Other section 3 residents.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 residents residing in the service area or neighborhood in which the section 3 covered project is located (collectively, referred to as category 1 residents); and

(ii) Participants in HUD Youthbuild programs (category 2 residents).

(iii) Where the section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the section 3 covered project is located shall be given the highest priority;

(iv) Other section 3 residents.

(3) Recipients of housing assistance programs administered by the Assistant Secretary for Housing may, at their own discretion, provide preference to residents of the housing development receiving the section 3 covered assistance within the service area or neighborhood where the section 3 covered project is located.

(4) Recipients of community development programs may, at their own discretion, provide priority to recipients of government assistance for housing, including recipients of certificates or vouchers under the Section 8 housing assistance program, within the service area or neighborhood where the section 3 covered project is located.

(b) *Eligibility for preference.* A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a section 3 resident, as defined in §135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

(c) *Eligibility for employment.* Nothing in this part shall be construed to require the employment of a section 3 resident who does not meet the qualifications of the position to be filled.

§ 135.36 Preference for section 3 business concerns in contracting opportunities.

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to award section 3 covered contracts, to the greatest extent feasible, to section 3 business concerns in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to award contracts to section 3 business concerns in the following order of priority:

(i) Business concerns that are 51 percent or more owned by residents of the housing development or developments

for which the section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 1 businesses);

(ii) Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the HA that is expending the section 3 covered assistance, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 2 businesses); or

(iii) HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 businesses).

(iv) Business concerns that are 51 percent or more owned by section 3 residents, or whose permanent, full-time workforce includes no less than 30 percent section 3 residents (category 4 businesses), or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified in paragraphs (a)(1)(i) and (a)(1)(ii) of this section.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses); and

(ii) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);

(iii) Other section 3 business concerns.

(b) *Eligibility for preference.* A business concern seeking to qualify for a section 3 contracting preference shall certify or submit evidence, if requested, that the business concern is a section 3 business concern as defined in § 135.5.

(c) *Ability to complete contract.* A section 3 business concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36(b)(8)).) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

§ 135.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR

part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

§ 135.40 Providing other economic opportunities.

(a) *General.* In accordance with the findings of the Congress, as stated in section 3, that other economic opportunities offer an effective means of empowering low-income persons, a recipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards, in connection with section 3 covered assistance.

(b) *Other training and employment related opportunities.* Other economic opportunities to train and employ section 3 residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring section 3 residents in management and maintenance positions within other housing developments; and hiring section 3 residents in part-time positions.

(c) *Other business related economic opportunities.* (1) A recipient or contractor may provide economic opportunities to establish, stabilize or expand section 3 business concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned businesses and use of procedures under 24 CFR part 963 regarding HA contracts to HA resident-owned businesses. A recipient or contractor may employ these methods directly or may provide incentives to non-section 3 businesses to utilize such methods to provide other economic opportunities to low-income persons.

(2) A *section 3 joint venture* means an association of business concerns, one of which qualifies as a section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the section 3 business concern:

(i) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and

(ii) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

Subpart C [Reserved]

Subpart D—Complaint and Compliance Review

§ 135.70 General.

(a) *Purpose.* The purpose of this subpart is to establish the procedures for handling complaints alleging noncompliance with the regulations of this

part, and the procedures governing the Assistant Secretary's review of a recipient's or contractor's compliance with the regulations in this part.

(b) *Definitions.* For purposes of this subpart:

(1) *Complaint* means an allegation of noncompliance with regulations of this part made in the form described in §135.76(d).

(2) *Complainant* means the party which files a complaint with the Assistant Secretary alleging that a recipient or contractor has failed or refused to comply with the regulations in this part.

(3) *Noncompliance with section 3* means failure by a recipient or contractor to comply with the requirements of this part.

(4) *Respondent* means the recipient or contractor against which a complaint of noncompliance has been filed. The term "recipient" shall have the meaning set forth in §135.7, which includes PHA and IHA.

§ 135.72 Cooperation in achieving compliance.

(a) The Assistant Secretary recognizes that the success of ensuring that section 3 residents and section 3 business concerns have the opportunity to apply for jobs and to bid for contracts generated by covered HUD financial assistance depends upon the cooperation and assistance of HUD recipients and their contractors and subcontractors. All recipients shall cooperate fully and promptly with the Assistant Secretary in section 3 compliance reviews, in investigations of allegations of noncompliance made under §135.76, and with the distribution and collection of data and information that the Assistant Secretary may require in connection with achieving the economic objectives of section 3.

(b) The recipient shall refrain from entering into a contract with any contractor after notification to the recipient by HUD that the contractor has been found in violation of the regulations in this part. The provisions of 24 CFR part 24 apply to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of debarment, suspension or otherwise ineligible status.

§ 135.74 Section 3 compliance review procedures.

(a) *Compliance reviews by Assistant Secretary.* The Assistant Secretary shall periodically conduct section 3 compliance reviews of selected recipients and contractors to determine whether these recipients are in compliance with the regulations in this part.

(b) *Form of compliance review.* A section 3 compliance review shall consist of a comprehensive analysis and evaluation of the recipient's or contractor's compliance with the requirements and obligations imposed by the regulations of this part, including an analysis of the extent to which section 3 residents have been hired and section 3 business concerns have been awarded contracts as a result of the methods undertaken by the recipient to achieve the employment, contracting and other economic objectives of section 3.

(c) *Where compliance review reveals noncompliance with section 3 by recipient or contractor.* Where the section 3 compliance review reveals that a recipient or contractor has not complied with section 3, the Assistant Secretary shall notify the recipient or contractor of its specific deficiencies in compliance with the regulations of this part, and shall advise the recipient or contractor of the means by which these deficiencies may be corrected. HUD shall conduct a follow-up review with the recipient or contractor to ensure that action is being taken to correct the deficiencies.

(d) *Continuing noncompliance by recipient or contractor.* A continuing failure or refusal by the recipient or contractor to comply with the regulations in this part may result in the application of sanctions specified in the contract through which HUD assistance is provided, or the application of sanctions specified in the regulations governing the HUD program under which HUD financial assistance is provided. HUD will notify the recipient of any continuing failure or refusal by the contractor to comply with the regulations in this part for possible action under any procurement contract between the recipient and the contractor.

Debarment, suspension and limited denial of participation pursuant to HUD's regulations in 24 CFR part 24, where appropriate, may be applied to the recipient or the contractor.

(e) *Conducting compliance review before the award of assistance.* Section 3 compliance reviews may be conducted before the award of contracts, and especially where the Assistant Secretary has reasonable grounds to believe that the recipient or contractor will be unable or unwilling to comply with the regulations in this part.

(f) *Consideration of complaints during compliance review.* Complaints alleging noncompliance with section 3, as provided in §135.76, may also be considered during any compliance review conducted to determine the recipient's conformance with regulations in this part.

§ 135.76 Filing and processing complaints.

(a) *Who may file a complaint.* The following individuals and business concerns may, personally or through an authorized representative, file with the Assistant Secretary a complaint alleging noncompliance with section 3:

(1) Any section 3 resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities generated from the expenditure of section 3 covered assistance with a recipient or contractor, or by a representative who is not a section 3 resident but who represents one or more section 3 residents;

(2) Any section 3 business concern on behalf of itself, or as a representative of other section 3 business concerns similarly situated, seeking contract opportunities generated from the expenditure of section 3 covered assistance from a recipient or contractor, or by an individual representative of section 3 business concerns.

(b) *Where to file a complaint.* A complaint must be filed with the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, DC, 20410.

(c) *Time of filing.* (1) A complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

(2) Where a complaint alleges noncompliance with section 3 and the regulations of this part that is continuing, as manifested in a number of incidents of noncompliance, the complaint will be timely if filed within 180 days of the last alleged occurrence of noncompliance.

(3) Where a complaint contains incomplete information, the Assistant Secretary shall request the needed information from the complainant. In the event this information is not furnished to the Assistant Secretary within sixty (60) days of the date of the request, the complaint may be closed.

(d) *Contents of complaint*—(1) *Written complaints.* Each complaint must be in writing, signed by the complainant, and include:

(i) The complainant's name and address;

(ii) The name and address of the respondent;

(iii) A description of the acts or omissions by the respondent that is sufficient to inform the Assistant Secretary of the nature and date of the alleged noncompliance.

(iv) A complainant may provide information to be contained in a complaint by telephone to HUD or any HUD Field Office, and HUD will reduce the information provided by telephone to writing on the prescribed complaint form and send the form to the complainant for signature.

(2) *Amendment of complaint.* Complaints may be reasonably and fairly amended at any time. Such amendments may include, but are not limited to, amendments to cure, technical defects or omissions, including failure to sign or affirm a complaint, to clarify or amplify the allegations in a complaint, or to join additional or substitute respondents. Except for the purposes of notifying respondents, amended complaints will be considered as having been made as of the original filing date.

(e) *Resolution of complaint by recipient.* (1) Within ten (10) days of timely filing of a complaint that contains complete

information (in accordance with paragraphs (c) and (d) of this section), the Assistant Secretary shall determine whether the complainant alleges an action or omission by a recipient or the recipient's contractor that if proven qualifies as noncompliance with section 3. If a determination is made that there is an allegation of noncompliance with section 3, the complaint shall be sent to the recipient for resolution.

(2) If the recipient believes that the complaint lacks merit, the recipient must notify the Assistant Secretary in writing of this recommendation with supporting reasons, within 30 days of the date of receipt of the complaint. The determination that a complaint lacks merit is reserved to the Assistant Secretary.

(3) If the recipient determines that there is merit to the complaint, the recipient will have sixty (60) days from the date of receipt of the complaint to resolve the matter with the complainant. At the expiration of the 60-day period, the recipient must notify the Assistant Secretary in writing whether a resolution of the complaint has been reached. If resolution has been reached, the notification must be signed by both the recipient and the complainant, and must summarize the terms of the resolution reached between the two parties.

(4) Any request for an extension of the 60-day period by the recipient must be submitted in writing to the Assistant Secretary, and must include a statement explaining the need for the extension.

(5) If the recipient is unable to resolve the complaint within the 60-day period (or more if extended by the Assistant Secretary), the complaint shall be referred to the Assistant Secretary for handling.

(f) *Informal resolution of complaint by Assistant Secretary*—(1) *Dismissal of complaint.* Upon receipt of the recipient's written recommendation that there is no merit to the complaint, or upon failure of the recipient and complainant to reach resolution, the Assistant Secretary shall review the complaint to determine whether it presents a valid allegation of noncompliance with section 3. The Assistant Secretary may conduct further investigation if deemed necessary. Where the complaint fails to present a valid allegation of noncompliance with section 3, the Assistant Secretary will dismiss the complaint without further action. The Assistant Secretary shall notify the complainant of the dismissal of the complaint and the reasons for the dismissal.

(2) *Informal resolution.* Where the allegations in a complaint on their face, or as amplified by the statements of the complainant, present a valid allegation of noncompliance with section 3, the Assistant Secretary will attempt, through informal methods, to obtain a voluntary and just resolution of the complaint. Where attempts to resolve the complaint informally fail, the Assistant Secretary will impose a resolution on the recipient and complainant. Any resolution imposed by the Assistant Secretary will be in accordance with requirements and procedures concerning the imposition of sanctions or resolutions as set forth in the regulations governing the HUD program under which the section 3 covered assistance was provided.

(3) *Effective date of informal resolution.* The imposed resolution will become effective and binding at the expiration of 15 days following notification to recipient and complainant by certified mail of the imposed resolution, unless either party appeals the resolution before the expiration of the 15 days. Any appeal shall be in writing to the Secretary and shall include the basis for the appeal.

(g) *Sanctions.* Sanctions that may be imposed on recipients that fail to comply with the regulations of this part include debarment, suspension and limited denial of participation in HUD programs.

(h) *Investigation of complaint.* The Assistant Secretary reserves the right to investigate a complaint directly when, in the Assistant Secretary's discretion, the investigation would further the purposes of section 3 and this part.

(i) *Intimidatory or retaliatory acts prohibited.* No recipient or other person shall intimidate, threaten, coerce, or discriminate against any person or business because the person or business has made a complaint, testified, assisted or participated in any manner in an investigation, proceeding, or hearing under this part. The identity of

complainants shall be kept confidential except to the extent necessary to carry out the purposes of this part, including the conduct of any investigation, hearing or judicial proceeding arising thereunder.

(j) *Judicial relief.* Nothing in this subpart D precludes a section 3 resident or section 3 business concerning from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

(Approved by the Office of Management and Budget under control number 2529–0043)

Subpart E—Reporting and Recordkeeping

§ 135.90 Reporting.

Each recipient which receives directly from HUD financial assistance that is subject to the requirements of this part shall submit to the Assistant Secretary an annual report in such form and with such information as the Assistant Secretary may request, for the purpose of determining the effectiveness of section 3. Where the program providing the section 3 covered assistance requires submission of an annual performance report, the section 3 report will be submitted with that annual performance report. If the program providing the section 3 covered assistance does not require an annual performance report, the section 3 report is to be submitted by January 10 of each year or within 10 days of project completion, whichever is earlier. All reports submitted to HUD in accordance with the requirements of this part will be made available to the public.

(Approved by the Office of Management and Budget under control number 2529–0043)

§ 135.92 Recordkeeping and access to records.

HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program under which section 3 covered assistance is provided or otherwise made available to the recipient or contractor.

APPENDIX TO PART 135

I. Examples of Efforts To Offer Training and Employment Opportunities to Section 3 Residents

(1) Entering into "first source" hiring agreements with organizations representing Section 3 residents.

(2) Sponsoring a HUD-certified "Step-Up" employment and training program for section 3 residents.

(3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other section 3 residents in the building trades.

(4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in § 135.34) reside.

(5) Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other recipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the section 3 covered project.

(6) Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

(7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the section 3 covered project.

(8) Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments where category 1 or category 2

persons reside and in the neighborhood or service area in which a section 3 project is located.

(9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a recipient or contractor representative or representatives.

(10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the section 3 covered project.

(11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.

(12) Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the HA's or contractor's training and employment positions.

(13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the section 3 business concerns identified in part 135), that will undertake, on behalf of the HA, other recipient or contractor, the efforts to match eligible and qualified section 3 residents with the training and employment positions that the HA or contractor intends to fill.

(15) For an HA, employing section 3 residents directly on either a permanent or a temporary basis to perform work generated by section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and §905.201(a)(6).)

(16) Where there are more qualified section 3 residents than there are positions to be filled, maintaining a file of eligible qualified section 3 residents for future employment positions.

(17) Undertaking job counseling, education and related programs in association with local educational institutions.

(18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of section 3 residents previously hired for employment opportunities.

(19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other section 3 residents to be trained or employed on the section 3 covered assistance.

(20) Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.

II. Examples of Efforts To Award Contracts to Section 3 Business Concerns

(1) Utilizing procurement procedures for section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans (see section III of this Appendix).

(2) In determining the responsibility of potential contractors, consider their record of section 3 compliance as evidenced by past actions and their current plans for the pending contract.

(3) Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying section 3 businesses which may solicit bids or proposals for contracts for work in connection with section 3 covered assistance.

(4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

(5) For HAs, contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying category 1 and category 2 business concerns.

(6) Providing written notice to all known section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the section 3 business concerns to respond to the bid invitations or request for proposals.

(7) Following up with section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.

(8) Coordinating pre-bid meetings at which section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.

(9) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.

(10) Advising section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.

(11) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of section 3 business concerns.

(12) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by section 3 business concerns.

(13) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.

(14) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(15) Developing a list of eligible section 3 business concerns.

(16) For HAs, participating in the "Contracting with Resident-Owned Businesses" program provided under 24 CFR part 963.

(17) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.

(18) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to section 3 business concerns.

(19) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.

(20) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.

(21) Actively supporting joint ventures with section 3 business concerns.

(22) Actively supporting the development or maintenance of business incubators which assist Section 3 business concerns.

III. Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns

This Section III provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

(1) *Small Purchase Procedures.* For section 3 covered contracts aggregating no more than $25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this Section III may be utilized.

(i) *Solicitation.* (A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:

—the section 3 covered contract to be awarded with sufficient specificity;

—the time within which quotations must be submitted; and

—the information that must be submitted with each quotation.

(B) If the method described in paragraph (i)(A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

(ii) *Award.* (A) Where the section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

(B) Where the section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

(2) *Procurement by sealed bids (Invitations for Bids).* Preference in the award of section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

(i) Bids shall be solicited from all businesses (section 3 business concerns, and non-section 3 business concerns). An award shall be made to the qualified section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid—

(A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and

(B) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

	x=lesser of:
When the lowest responsive bid is less than $100,000	10% of that bid or $9,000.
When the lowest responsive bid is:	
At least $100,000, but less than $200,000	9% of that bid, or $16,000.
At least $200,000, but less than $300,000	8% of that bid, or $21,000.
At least $300,000, but less than $400,000	7% of that bid, or $24,000.
At least $400,000, but less than $500,000	6% of that bid, or $25,000.
At least $500,000, but less than $1 million	5% of that bid, or $40,000.
At least $1 million, but less than $2 million	4% of that bid, or $60,000.
At least $2 million, but less than $4 million	3% of that bid, or $80,000.
At least $4 million, but less than $7 million	2% of that bid, or $105,000.
$7 million or more	1½% of the lowest responsive bid, with no dollar limit.

(ii) If no responsive bid by a section 3 business concern meets the requirements of paragraph (2)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(3) *Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)).* (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

(ii) One of the evaluation factors shall address both the preference for section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (section 3 strategy), as disclosed in proposals submitted by all business concerns (section 3 and non-section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

(iii) The component of this evaluation factor designed to address the preference for section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.

(iv) With respect to the second component (the acceptability of the section 3 strategy), the RFP shall require the disclosure of the contractor's section 3 strategy to comply with the section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable section 3 strategy. The contract award shall be made to the responsible firm (either section 3 or non-section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

PART 146—NONDISCRIMINATION ON THE BASIS OF AGE IN HUD PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE

Subpart A—General

Subpart B—Standards for Determining Age Discrimination

Subpart C—Duties of HUD Recipients

Subpart D—Investigation, Settlement, and Enforcement Procedures

Exhibit B

GROUND LEASE

Dated as of _____, 2014

between

MIAMI-DADE COUNTY

Landlord

and

STIRRUP PLAZA PHASE TWO, LLC

Tenant

#3749322 v4
30364-0957

GROUND LEASE

THIS GROUND LEASE ("Lease"), made as of _____, 2014 (the ***Lease Date***) by and between **MIAMI-DADE COUNTY**, a political subdivision of the State of Florida and a "public housing agency" as defined in the United States Housing Act of 1937 (42 U.S.C. §1437 *et seq.*, as amended) (***Landlord***) and **STIRRUP PLAZA PHASE TWO, LLC,** a Florida limited liability company (***Tenant***).

WITNESSETH:

WHEREAS, Landlord is the owner of the Land (as defined below) consisting of certain real property located in Miami-Dade County, Florida, on which is located the public housing development known as Stirrup Plaza (FLA 5-58).

WHEREAS, Tenant has proposed to construct a minimum of 68 units on the Land.

WHEREAS, Tenant intends to apply for various sources of private and public financing, which may include Low Income Housing Tax Credits (LIHTC) through the Florida Housing Finance Corporation (FHFC), and is required to meet certain requirements as a condition of being awarded such financing; and

WHEREAS, such application requires Tenant to present evidence of site control over the Land at the time of the application; and

WHEREAS, evidence of site control over the Land includes a ground lease; and

WHEREAS, Landlord and Tenant are willing to enter into this Lease of the Land conditioned on Tenant obtaining financing, which may include FHFC awarding Tenant LIHTC,

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties set forth herein, Landlord and Tenant do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions.

The following terms shall have the following definitions in this Lease:

(a) **ACC** means the Consolidated Annual Contributions Contract between HUD and Landlord as amended in relation to the Premises by the ACC Amendment.

(b) **ACC Amendment** means the Mixed-Finance Amendment to Consolidated Annual Contributions Contract, dated on or about the Commencement Date, by Landlord and HUD, and incorporating the Public Housing Units, as the same may be further amended from time to time.

(c) ***Act means th***e United States Housing Act of 1937 (42 U.S.C. § 1437, *et seq.),* as amended from time to time, any successor legislation, and all implementing regulations issued thereunder or in furtherance thereof.

(d) ***Applicable Public Housing Requirements*** means the Act, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), and all other Federal statutory, executive order, and regulatory requirements applicable to public housing, as such requirements now exist or as they may be amended from time to time; the ACC, and the ACC Amendment, as applicable to the Public Housing Units during the term thereof or the period required by law.

(e) ***Bankruptcy Laws*** has the meaning set forth in Section 8.1(d).

(f) ***Base Rent*** means the annual rental payment due from Tenant to Landlord, in the amount of **$1.00 per year**, as described in Section 3.1.

(g) ***Commencement Date*** means the date on which the Tenant closes on its construction financing for the rehabilitation, redevelopment or new construction, as applicable, of the Improvements and the sale or syndication of the LIHTC.

(h) ***Declaration of Restrictive Covenants*** means that certain Declaration of Restrictive Covenants in favor of HUD to be recorded against the Land prior to any leasehold mortgage and this leasehold which obligates Tenant and any successor in title to the Premises, including a successor in title by foreclosure or deed-in-lieu of foreclosure (or the leasehold equivalent), to maintain and operate the Premises in compliance with Applicable Public Housing Requirements for the period stated therein.

(i) ***Development*** means the construction (or rehabilitation), maintenance and operation of the Premises in accordance with this Lease.

(j) ***Environmental Assessments*** means the environmental studies and reports to be obtained by Tenant on or before the Commencement Date.

(k) ***Environmental Laws*** means any present and future Federal, State or local law, ordinance, rule, regulation, permit, license or binding determination of any governmental authority relating to, imposing liability or standards concerning or otherwise addressing the protection of land, water, air or the environment, including, but not limited to: the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (***CERCLA***); the Resource, Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (***RCRA***); the Toxic Substances Control Act, 15 U.S.C. §2601 et seq. (***TOSCA***); the Clean Air Act, 42 U.S.C. §7401 et seq.; the Clean Water Act, 33 U.S.C. §1251 et seq. and any so-called "Superfund" or "Superlien" law; as each is from time to time amended and hereafter in effect.

(l) ***Event of Default*** has the meaning set forth in Section 8.1.

(m) ***Governing Documents*** means the Declaration of Restrictive Covenants, the ACC, ACC Amendment and the Regulatory and Operating Agreement. In the event of a conflict between the Regulatory and Operating Agreement and the ACC, ACC Amendment and Declaration of Restrictive Covenants, the ACC and the Declaration of Restrictive Covenants shall govern.

(n) ***Hazardous Substances*** means (i) "hazardous substances" as defined by CERCLA or Section 311 of the Clean Water Act (33 USC § 1321), or listed pursuant to Section 307 of the Clean Water Act (33 USC § 1317); (ii) "hazardous wastes," as defined by RCRA; (iii) any hazardous, dangerous or toxic chemical, waste, pollutant, material, element, contaminant or

substance ("pollutant") within the meaning of any Environmental Law prohibiting, limited or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant; (iv) petroleum crude oil or fraction thereof; (v) any radioactive material, including any source, special nuclear or by-product material as defined in 42 U.S.C. §2011 et seq. and amendments thereto and reauthorizations thereof; (vi) asbestos-containing materials in any form or condition; (vii) polychlorinated biphenyls or polychlorinated biphenyl-containing materials in any form or condition; (viii) a "regulated substance" within the meaning of Subtitle I of RCRA, as amended from time to time and regulations promulgated thereunder; (ix) substances the presence of which requires notification, investigation or remediation under any Environmental Laws; (x) urea formaldehyde foam insulation or urea formaldehyde foam insulation-containing materials; (xi) lead-based paint or lead-based paint-containing materials; and (xii) radon or radon-containing or producing materials.

(o) ***HUD*** means the United States Department of Housing and Urban Development.

(p) ***Improvements*** means all repairs, betterments, buildings and improvements hereafter constructed or rehabilitated on the Land, and any additional parking areas, walkways, landscaping, fencing or other amenities on the Land.

(q) ***Land*** means that certain real property located in Miami-Dade County, legally described in Exhibit A, together with all easements, rights, privileges, licenses, covenants and other matters that benefit or burden the real property.

(r) ***Landlord*** means Miami-Dade County, a political subdivision of the State of Florida and a "public housing agency" as defined in the Act.

(s) ***Lease*** means this ground lease as the same shall be amended from time to time.

(t) ***Lease Year*** means, in the case of the first lease year, the period from the Commencement Date through the last day of the 12th month of that year; thereafter, each successive twelve-calendar month period following the expiration of the first lease year of the Term; except that in the event of the termination of this Lease on any day other than the last day of a Lease Year then the last Lease Year of the Term shall be the period from the end of the preceding Lease Year to such date of termination.

(u) ***Partial Taking*** has the meaning set forth in Section 6.2(d).

(v) ***Operating Agreement*** means the Amended and Restated Operating Agreement of Tenant to be entered into on or about the Commencement Date and pursuant to which the Tenant's equity investor (the "Investor") will be admitted as a member of the Tenant.

(w) ***Permitted Encumbrances*** means such recorded title matters as are disclosed pursuant to the title commitment to be obtained by Tenant pursuant to Section 7.1 and are not identified by Tenant as objectionable matters pursuant to the procedure provided in Section 7.3.

(x) ***Personal Property*** means all fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), fittings, appliances, apparatus, equipment, machinery, chattels, building materials, and other property of every kind and nature whatsoever, and replacements and proceeds thereof, and additions thereto, now or

at any time hereafter owned by Tenant, or in which Tenant has or shall have an interest, now or at any time hereafter affixed to, attached to, appurtenant to, located or placed upon, or used in any way in connection with the present and future complete and comfortable use, enjoyment or occupancy for operation and maintenance of the Premises, excepting any personal property or fixtures owned by any tenant (other than the Tenant) occupying the Premises and used by such tenant in the conduct of its business in the space occupied by it to the extent the same does not become the property of Tenant under the lease with such tenant or pursuant to applicable law.

(y) ***Plans and Specifications*** means the plans and specifications for the Improvements to be constructed (or rehabilitated) on the Land by Tenant.

(z) ***Premises*** means the Land, the Improvements and the Personal Property.

(aa) ***Public Housing Units*** means approximately 7 units on the Premises regulated as public housing units in accordance with the Regulatory and Operating Agreement.

(bb) ***Regulatory Default*** has the meaning set forth in Section 8.5.

(cc) ***Rent*** means Base Rent plus Additional Rent.

(dd) ***Sales Notice*** has the meaning set forth in Section 11.1.

(ee) ***Sales Offer*** has the meaning set forth in Section 11.2

(ff) ***Sublessee*** means any sublessee to which Tenant subleases a portion of the ground leasehold estate created hereby, as provided in Section 5.7(b).

(gg) ***Taking*** means any taking of the title to, access to, or use of the Premises or any portion thereof by any governmental authority or any conveyance under the threat thereof, for any public, or quasi-public use or purpose. A Taking may be total or partial, permanent or temporary

(hh) ***Tenant*** means Stirrup Plaza Phase Two, LLC, a Florida limited liability company.

(ii) ***Term*** means a period of time commencing with the Lease Date and continuing until the date which is seventy-five (75) calendar years thereafter.

(jj) ***Total Taking*** has the meaning set forth in Section 6.2(c).

1.2. Interpretation.

The words "hereof," "herein," "hereunder," and other words of similar import refer to this Agreement as a whole and not to any particular Section, subsection or subdivision. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural and vice versa unless the context shall otherwise indicate.

1.3. Exhibits.

Exhibits to this Lease are incorporated by this reference and are to be construed as a part of this Lease.

ARTICLE II

PREMISES AND TERM

Landlord leases and demises to Tenant and its successors and assigns, subject to and with the benefit of the terms, covenants, conditions and provisions of this Lease, the Land for the Term unless sooner terminated in accordance with the provisions contained in this Lease.

ARTICLE III

RENT

3.1. Rent. Tenant covenants and agrees to pay to Landlord as rent under this Lease, an annual rental amount equal to $25,000 (increasing each year at 4% per year), payable out of fifty percent (50%) of the available (net) cash flow that is distributable by Tenant to its managing member, after payment of any deferred developer fees. Any portion of the annual rental amount not paid, in any given year, shall be deferred to the following year.Said payments of rent shall be made payable to the Board of County Commissioners, c/o Public Housing and Community Development, 701 N.W. 1st Court, 16th Floor, Miami, Florida 33136, or at such other place and to such other person as Landlord may from time to time designate in writing, as set forth herein. Prior to the Commencement Date, Tenant is not obligated to pay rent or any other sums to the Landlord under this Lease.

3.2. Surrender. Upon the expiration of this Lease by the passage of time or otherwise, Tenant will quietly yield, surrender and deliver up possession of the Premises to Landlord. In the event Tenant fails to vacate the Premises and remove such personal property as Tenant is allowed to remove from the Premises at the end of the Term, or at the earlier termination of this Lease, Landlord shall be deemed Tenant's agent to remove such items from the Premises at Tenant's sole cost and expense. Furthermore, should Tenant fail to vacate the Premises in accordance with the terms of this Lease at the end of the Term, or at the earlier termination of this Lease, the Tenant shall pay to Landlord a charge for each day of occupancy after expiration or termination of the Lease in an amount equal to 150% of Tenant's Rent prorated on a daily basis. Such charge shall be in addition to any actual damages suffered by Landlord by Tenant's failure to vacate the Premises, for which Tenant shall be fully liable, it being understood and agreed, however, that Tenant shall under no circumstances be liable to Landlord for any incidental, indirect, punitive or consequential damages (including, but not limited to, loss of revenue or anticipated profits).Base Rent.

3.3. Utilities. Tenant shall pay or cause to be paid all charges for water, gas, sewer, electricity, light, heat, other energy sources or power, telephone or other service used, rendered or supplied to Tenant in connection with the Premises.

3.4. Other. Tenant covenants to pay and discharge, when the same shall become due all other amounts, liabilities, and obligations which Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with every fine, penalty, interest and cost which may be added for nonpayment or late payment thereof (provided that Tenant shall not be liable for any payment or portion thereof which Landlord is obligated to pay and which payment Landlord has failed to make when due); and, in the event of any failure by Tenant to pay or discharge the foregoing, Landlord shall have all the rights, powers and remedies provided herein, by law or otherwise in the case of nonpayment of Rent.

ARTICLE IV

INDEMNITY, LIENS AND INSURANCE

4.1. Indemnity for Tenant's Acts. . Tenant shall indemnify and hold harmless the Landlord and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the Landlord or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Lease by the Tenant or its employees, agents, servants, members, principals or subcontractors. Tenant shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the Landlord, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorneys' fees which may issue thereon Tenant expressly understands and agrees that any insurance protection required by this Lease or otherwise provided by Tenant shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Landlord or its officers, employees, agents and instrumentalities as herein provided..

4.2. Landlord's Environmental Responsibility and Representations.

(a) Except to the extent that an environmental condition is aggravated or exacerbated by the negligent or willful acts or omissions of Tenant, its agents or contractors, Tenant shall not be responsible under this Lease for any claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement action of any kind, and all costs and expenses incurred in connection therewith arising out of: (i) the presence of any Hazardous Substances in, on, over, or upon the Premises first affecting the Premises as of or prior to the Commencement Date, whether now known or unknown; or (ii) the failure of Landlord or its agents or contractors prior to the Commencement Date to comply with any Environmental Laws relating to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Substances into, on, under or from the Premises at any time, whether or not such failure to comply was known or knowable, discovered or discoverable prior to the Commencement Date.

(b) Landlord represents and warrants to Tenant that, as of the date hereof:

(c) except as may be referenced in the Environmental Assessments, and to the best of Landlord's actual knowledge, neither the Land nor any part thereof has been used for the disposal of refuse or waste, or for the generation, processing, storage, handling, treatment, transportation or disposal of any Hazardous Substances;

(d) except as may be referenced in the Environmental Assessments, and to the best of Landlord's actual knowledge, no Hazardous Substances have been installed, used, stored, handled or located on or beneath the Land, which Hazardous Substances, if found on or beneath the Land, or improperly disposed of off of the Land, would subject the owner or occupant of the Premises to damages, penalties, liabilities or an obligation to perform any work, cleanup, removal, repair, construction, alteration, demolition, renovation or installation in or in connection with the Premises (***Environmental Cleanup Work***) in order to comply with any Environmental Laws;

(e) except as may be referenced in the Environmental Assessments, no notice from any governmental authority or any person has ever been served upon Landlord, its agents or employees, claiming any violation of any Environmental Law or any liability thereunder, or requiring or calling any attention to the need for any Environmental Cleanup Work on or in connection with the Premises, and neither Landlord, its agents or employees has ever been informed of any threatened or proposed serving of any such notice of violation or corrective work order; and

(f) except as may be referenced in the Environmental Assessments, and to the best of Landlord's knowledge, no part of the Land is affected by any Hazardous Substances contamination, which for purposes hereof, shall mean: (i) the contamination of any improvements, facilities, soil, subsurface strata, ground water, ambient air, biota or other elements on or of the Land by Hazardous Substances, or (ii) the contamination of the buildings, facilities, soil, subsurface strata, ground water, ambient air, biota or other elements on, or of, any other property as a result of Hazardous Substances emanating from the Land.

4.3. Liens.

(a) Tenant agrees that it will not permit any mechanic's, materialmen's or other liens to stand against the Premises for work or materials furnished to Tenant it being provided, however, that Tenant shall have the right to contest the validity thereof. Tenant shall not have any right, authority or power to bind Landlord, the Premises or any other interest of the Landlord in the Premises and will pay or cause to be paid all costs and charges for work done by it or caused to be done by it, in or to the Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Improvements or any change, alteration or addition thereto. IN THE EVENT THAT ANY MECHANIC'S LIEN SHALL BE FILED, TENANT SHALL EITHER (A) PROCURE THE RELEASE OR DISCHARGE THEREOF WITHIN NINETY (90) DAYS EITHER BY PAYMENT OR IN SUCH OTHER MANNER AS MAY BE PRESCRIBED BY LAW OR (B) TRANSFER SUCH LIEN TO BOND WITHIN NINETY (90) DAYS FOLLOWING THE FILING THEREOF. NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO THE TENANT OR TO ANYONE HOLDING ANY OF THE PREMISES THROUGH OR UNDER THE TENANT, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF THE LANDLORD IN AND TO ANY OF THE PREMISES. THE LANDLORD SHALL BE PERMITTED TO POST ANY NOTICES ON THE PREMISES REGARDING SUCH NON-LIABILITY OF THE LANDLORD.

(b) Tenant shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms, and corporations doing any work, furnishing any materials or supplies or renting any equipment to Tenant or any of its contractors or subcontractors in connection with the construction, reconstruction, furnishing, repair, maintenance or operation of the Premises, and in all events will bond or cause to be bonded, with surety companies reasonably satisfactory to Landlord, or pay or cause to be paid in full forthwith, any mechanic's, materialmen's or other lien or encumbrance that arises, whether due to the actions of Tenant or any person other than Landlord, against the Premises.

(c) Tenant shall have the right to contest any such lien or encumbrance by appropriate proceedings which shall prevent the collection of or other realization upon such lien or encumbrance so contested, and the sale, forfeiture or loss of the Premises to satisfy the

same; provided that such contest shall not subject Landlord to the risk of any criminal liability or civil penalty, and provided further that Tenant shall give reasonable security to insure payment of such lien or encumbrance and to prevent any sale or forfeiture of the Premises by reason of such nonpayment, and Tenant hereby indemnifies Landlord for any such liability or penalty. Upon the termination after final appeal of any proceeding relating to any amount contested by Tenant pursuant to this Section 4.3, Tenant shall immediately pay any amount determined in such proceeding to be due, and in the event Tenant fails to make such payment, Landlord shall have the right after five (5) business days' notice to Tenant to make any such payment on behalf of Tenant and charge Tenant therefor.

(d) Nothing contained in this Lease shall be construed as constituting the consent or request of Landlord, expressed or implied, to or for the performance of any labor or services or the furnishing of any materials for construction, alteration, addition, repair or demolition of or to the Premises or of any part thereof.

4.4. Insurance Requirements.

Beginning on the Commencement Date and continuing until the expiration or earlier termination of the Term, Tenant shall at all times obtain and maintain, or cause to be maintained, insurance for Tenant and the Premises as described in Exhibit B.

ARTICLE V

USE OF PREMISES; COVENANTS RUNNING WITH THE LAND

5.1. Use; Covenants.

(a) Tenant and Landlord agree that Tenant shall construct or rehabilitate multifamily residential housing for low-income, family, elderly, disabled, special needs or other population acceptable to the County on the Land after HUD's approval of Landlord's disposition application and all applicable mixed-finance agreements and documents, Notwithstanding the preceding sentence, it is understood by the parties that HUD's approval of the Landlord's disposition application and the mixed finance agreements and documents is not a condition precedent to entering into this Lease or a condition precedent to Tenant's obtaining site control of the Premises.

(b) Tenant covenants, promises and agrees that during the Term of this Lease it shall not devote the Premises or any part thereof to uses other than those consistent with this Lease and the requirements of all applicable documents to be executed between Landlord and Tenant (collectively, the "Landlord/Tenant Documents"). Without limiting the generality of the foregoing sentence, or the duration of the use restrictions applicable during the Term, Tenant covenants, promises and agrees that:

1. 100% of the units in the Premises will be set aside for occupancy by low, very low and extremely low income households.

2. Except as otherwise provided in the Act, the Premises shall be maintained and operated under the terms and conditions applicable to public housing, as set forth in the Applicable Public Housing Requirements, during the 20-year period that begins on the latest date on which modernization with public housing capital

funds is completed, as required by Section 9(d)(3)(B) of the Act (or any successor provision);

3. Except as otherwise provided in the Act, no portion of the Premises may be disposed of before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which such amounts were provided, as required by Section 9(e)(3) of the Act (or any successor provision);

(c) Neither the Premises, nor any part thereof, may be demolished other than in accordance with the Applicable Public Housing Requirements. The provisions of the Applicable Public Housing Requirements and this Section 5.1 are intended to create a covenant running with the land and, subject to the terms and benefits of the Public Housing Requirements, to encumber and benefit the Premises and to bind for the Term Landlord and Tenant and each of their successors and assigns and all subsequent owners of the Premises, including, without limitation, any entity which succeeds to Tenant's interest in the Premises by foreclosure of any Permitted Leasehold Mortgage or instrument in lieu of foreclosure.

(d) In the event of a conflict between the Public Housing Requirements and this Lease, the Public Housing Requirements shall govern.

5.2. Residential Improvements.

(a) Tenant shall construct the Improvements on the Land in conformance with the Plans and Specifications. Tenant shall cause the Improvements to be substantially completed and placed in service in accordance with the Landlord/Tenant Documents. Tenant shall construct the Improvements and make such other repairs, renovations and betterments to the Improvements as it may desire (provided that such renovations and betterments do not reduce the number of units or bedroom count at the Premises) all at its sole cost and expense, in accordance with (i) the Landlord/Tenant Documents and (ii) any mortgage encumbering the Tenant's leasehold estate, in a good and workmanlike manner, with new materials and equipment whose quality is at least equal to that of the initial Improvements, and in conformity with all applicable federal, state, and local laws, ordinances and regulations. Tenant shall apply for, prosecute, with reasonable diligence, procure or cause to be procured, all necessary approvals, permits, licenses or other authorizations required by applicable governmental authorities having jurisdiction over the Improvements for the construction and/or rehabilitation, development, zoning, use and occupation of the Improvements, including, without limitation, the laying out, installation, maintenance and replacing of the heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems, fixtures, wires, pipes, conduits, equipment and appliances and water, gas, electric, telephone, drain and other utilities that are customary in developments of this type for use in supplying any such service to and upon the Premises. Landlord shall, without expense to Landlord absent consent therefor, cooperate with Tenant and assist Tenant in obtaining all required licenses, permits, authorizations and the like, and shall sign all papers and documents at any time needed in connection therewith, including without limitation, such instruments as may be required for the laying out, maintaining, repairing, replacing and using of such services or utilities. Any and all buildings, fixtures, improvements, trade fixtures and equipment placed in, on, or upon the Premises shall remain the sole and exclusive property of Tenant and its subtenants, notwithstanding their affixation to, annexation to, or incorporation into the Premises, until the termination of this Lease, at which time title to any such buildings, fixtures, Improvements trade fixtures and equipment that belong to Tenant shall vest in Landlord.

(b) Tenant shall take no action to effectuate any material amendments, modifications or any other alterations to the Plans and Specifications unless authorized in accordance with the Landlord/Tenant Documents or otherwise approved by Landlord in writing and in advance.

5.3. Tenant's Obligations.

(a) Tenant shall, at its sole cost and expense, maintain the Premises, reasonable wear and tear excepted, and make repairs, restorations, and replacements to the Improvements, including without limitation the landscaping, irrigation, heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems; structural roof, walls, floors and foundations; and the fixtures and appurtenances as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations, and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of Tenant, its agents, employees, invitees, visitors, and contractors. All such repairs, restorations, and replacements will be in quality and class, as elected by Tenant, either equal to or better than the original work or installations and shall be in accordance with all applicable building codes.

(b) Except as may otherwise be approved or deemed approved in accordance with the Landlord/Tenant Documents, Tenant shall not make any alteration, improvement, or addition to the Premises having a cost greater than $50,000, or demolish any portion thereof, without first presenting to Landlord complete plans and specifications therefor and obtaining Landlord's written consent thereto, which consent shall not unreasonably be withheld so long as, in Landlord's reasonable judgment such alteration, improvement, addition or demolition will not violate this Lease or impair the value of the Property. Landlord/Tenant Documents.

5.4. Compliance with Law.

(a) Tenant shall, at its expense, perform all its activities on the Premises in compliance, and shall cause all occupants of any portion thereof to comply, with all applicable laws, ordinances, codes and regulations affecting the Premises or its uses, as the same may be administered by authorized governmental officials.

(b) Without limitation of the foregoing, but expressly subject to the provisions of Section 5.4, Tenant agrees to fulfill the responsibilities set forth below with respect to environmental matters:

(c) Tenant shall operate the Premises in compliance with all Environmental Laws applicable to Tenant relative to the Premises and shall identify, secure and maintain all required governmental permits and licenses as may be necessary for the Premises. All required governmental permits and licenses issued to Tenant and associated with the Premises shall remain in effect or shall be renewed in a timely manner, and Tenant shall comply therewith and cause all third parties to comply therewith. All Hazardous Substances present, handled, generated or used on the Premises will be managed, transported and disposed of in a lawful manner. Tenant shall not knowingly permit the Premises or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Substances, except in such amounts as are ordinarily used, stored or generated in similar projects, or otherwise knowingly permit the presence of Hazardous Substances in, on or under the Premises in violation of any applicable law.

(d) Tenant shall promptly provide Landlord with copies of all forms, notices and other information concerning any releases, spills or other incidents relating to Hazardous Substances or any violations of Environmental Laws at or relating to the Premises upon discovery of such releases, spills or incidents, when received by Tenant from any government agency or other third party, or when and as supplied to any government agency or other third party.

5.5. Ownership of Improvements/Surrender of Premises.

At all times during the Term, Tenant shall be deemed to exclusively own the Improvements and the Personal Property for federal tax purposes, and Tenant alone shall be entitled to all of the tax attributes of ownership thereof, including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in Section 42 of the Code, with respect to the Improvements and the Personal Property, and Tenant shall have the right to amortize capital costs and to claim any other federal tax benefits attributable to the Improvements and the Personal Property. At the expiration or earlier termination of the Term of this Lease or any portion thereof, Tenant shall peaceably leave, quit and surrender the Premises, and the Improvements thereon (or the portion thereof so terminated), subject to the rights of tenants in possession of residential units under leases with Tenant, provided that such tenants are not in default thereunder and attorn to Landlord as their lessor. Upon such expiration or termination, the Premises (or portion thereof so terminated) shall become the sole property of Landlord at no cost to Landlord and shall be free of all liens and encumbrances and in the condition set forth in Section 5.3 (consistent with prudent and appropriate property management and maintenance during the Term) and, in the event of a casualty, to the provisions of Article VI. Tenant acknowledges and agrees that upon the expiration or sooner termination of this Lease any and all rights and interests it may have either at law or in equity to the Premises shall immediately cease.

5.6. Easements.

Landlord agrees that Landlord shall not unreasonably withhold or delay its consent, and shall join with Tenant from time to time during the Term in the granting of easements affecting the Premises which are for the purpose of providing utility services for the Premises. If any monetary consideration is received by Tenant as a result of the granting of any such easement, such consideration shall be paid to Landlord. As a condition precedent to the exercise by Tenant of any of the powers granted to Tenant in this Section, Tenant shall give notice to Landlord of the action to be taken, shall certify to Landlord, that in Tenant's opinion such action will not adversely affect either the market value of the Premises or the use of the Premises for the Development.

5.7. Transfer; Conveyance; Assignment.

(a) Except as otherwise permitted hereunder, Tenant agrees for itself and its successors and assigns in interest hereunder that it will not (1) assign this Lease or any of its rights under this Lease as to all or any portion of the Premises generally, or (2) make or permit any voluntary or involuntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of any or all of the Premises, or the Improvements, or the occupancy and use thereof, other than in accordance with Applicable Public Housing Requirements and this Lease (including, but not limited to (i) any sale at foreclosure or by the execution of any judgment of any or all of Tenant's rights hereunder, or (ii) any transfer by operation of law), without first obtaining Landlord's express written consent thereto, which shall not be unreasonably withheld.

(b) If applicable, Tenant shall have the right to enter a sublease of any part of the premises (a "Sublease") to an entity that is affiliated with Tenant, subject to the approval and consent of Landlord which will not be unreasonably withheld. Additionally, no Sublease shall relieve Tenant of any obligations under the terms of this Lease unless a release is granted by Landlord. Additionally, each Sublease must be for a use compatible with the standards and requirements set forth in this Section 5 or for public, low-income or special needs affordable housing. Tenant must give written notice to Landlord specifying the name and address of any Sublessee to which all notices required by this Lease shall be sent, and a copy of the Sublease. Tenant shall provide Landlord with copies of all Subleases entered into. Landlord agrees to grant Non-Disturbance Agreements for any Sublessee which will provide that in the event of a termination of this Lease which applies to the portion of the Premises covered by such Sublease, due to an Event of Default committed by the Tenant, such Sublessee will not be disturbed and will be allowed to continue peacefully in possession directly under this Lease as the successor tenant, provided that the Sublessee shall be in compliance with the terms and conditions of its Sublease; and the Sublessee shall agree to attorn to Landlord. Landlord further agrees that it will grant such assurances to such Sublessee so long as it remains in compliance with the terms of its Sublease, and provided further that any such Sublease does not extend beyond the expiration of the Term of this Lease.

(c) In the event Tenant's Sublessee is successful in obtaining LIHTC for that portion of the Premises which is subject to the Sublease, but Tenant is not successful in obtaining LIHTC for the portion of the property not subleased and remaining subject to this Lease, Landlord and Tenant agree to modify this Lease so as to make it a direct lease between Landlord and the Sublessee, for the subleased Premises.

ARTICLE VI

CASUALTY AND TAKING

6.1. Casualty.

Casualty Damage. In the event the Premises should be destroyed or damaged by fire, windstorm, or other casualty to the extent that the Premises is rendered unfit for the intended purpose of Tenant, Tenant may cancel this Lease after thirty (30) days notice to Landlord, but only after removing any trash and/or debris therefrom, subject to the terms and provisions of any Permitted Leasehold Mortgage. If the Premises is partially damaged due to any other reason than the causes described immediately above, but the Premises is not rendered unusable for Tenant's purposes subject to the terms and provisions of any Permitted Leasehold Mortgage, the same shall be repaired by Tenant to the extent Tenant receives sufficient proceeds to complete such repairs from its insurance carrier under its insurance policy. Any such repairs will be completed within a reasonable time after receipt of such proceeds. If the damage to the Premises shall be so extensive as to render it unusable for Tenant's purposes but shall nonetheless be capable of being repaired within One Hundred Twenty (120) days, subject to the terms and provisions of any Permitted Leasehold Mortgagee the damage shall be repaired with due diligence by Tenant to the extent Tenant receives sufficient proceeds under its insurance policy to complete such repairs. In the event that a nearby structure(s) or improvement(s) is damaged or destroyed due to Tenant's negligence, Tenant shall be solely liable and responsible to repair and/or compensate the owner for such damage or loss.

Notwithstanding anything contained in this Section 6.1, or otherwise in this Lease to the contrary, as long as the Tenant's leasehold interest is encumbered by any Permitted Leasehold

Mortgage, this Lease shall not be terminated by Landlord or Tenant in the event that the Premises is partially or totally destroyed, and, in the event of such partial or total destruction, all insurance proceeds from casualty insurance as provided herein shall be paid to and held by the Permitted Leasehold Mortgagee, or an insurance trustee selected by the Permitted Leasehold Mortgagee to be used for the purpose of restoration or repair of the Premises. Permitted Leasehold Mortgagee shall have the right to participate in adjustment of losses as to casualty insurance proceeds and any settlement discussion relating to casualty or condemnation.

6.2. Taking.

(a) Notice of Taking. Upon receipt by either Landlord or Tenant of any notice of Taking, or the institution of any proceedings for Taking the Premises, or any portion thereof, the party receiving such notice shall promptly give notice thereof to the other, and such other party may also appear in such proceeding and may be represented by an attorney.

(b) Award. Subject to the terms of the Permitted Leasehold Mortgages (as defined in Section 8.9), the Landlord and the Tenant agree that, in the event of a Taking that does not result in the termination of this Lease pursuant to Section 6.2(c) or 6.2(d), this Lease shall continue in effect as to the remainder of the Premises, and the net amounts owed or paid to the Landlord or pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Taking, less any costs and expenses incurred by the Landlord in collecting such award or payment (the "Award") will be disbursed in accordance with Section 6.2(c) or 6.2(d) (as the case may be) to the Landlord and/or Tenant. The Tenant and, to the extent permitted by law, any Permitted Leasehold Mortgagee, shall have the right to participate in negotiations of and to approve any such settlement with a condemning authority (which approval shall not be unreasonably withheld).

(c) Total Taking. In the event of a permanent Taking of the fee simple interest or title of the Premises, or control of the entire leasehold estate hereunder (a "Total Taking"), this Lease shall thereupon terminate as of the effective date of such Total Taking, without liability or further recourse to the parties, provided that each party shall remain liable for any obligations required to be performed prior to the effective date of such termination and for any other obligations under this Lease which are expressly intended to survive termination. The Taking of any portion of the Improvements, fifteen percent (15%) or more of the then existing parking area, the loss of the rights of ingress and egress as then established or the loss of rights to use the Easement, shall be, at Tenant's election, but not exclusively considered, such a substantial taking as would render the use of the Property not suitable for Tenant's use. Notwithstanding any provision of the Lease or by operation of law that leasehold improvements may be or shall become the property of Landlord at the termination of the Lease, the loss of the building and other improvements paid for by Tenant, the loss of Tenant's leasehold estate and such additional relief as may be provided by law shall be the basis of Tenant's damages against the condemning authority if a separate claim therefore is allowable under applicable law, or the basis of Tenant's damages to a portion of the total award if only one award is made.

(d) Partial Taking. In the event of a permanent Taking of less than all of the Premises (a "Partial Taking"), if Tenant reasonably determines that the continued development, use or occupancy of the remainder of the Premises by Tenant cannot reasonably be made to be economically viable, structurally sound; then Tenant may terminate this Lease, and the Tenant's portion of the Award shall be paid to Tenant, provided that any and all obligations of Tenant have been fully and completely complied with by Tenant as of the date of said Partial Taking. If Tenant shall not elect to terminate this Lease, Tenant shall be entitled to a reduction of rent of

such amount as shall be just and equitable. Subject to the terms of the Permitted Leasehold Mortgages, if there is a Partial Taking and the Tenant does not terminate this Lease, the Tenant shall be entitled to receive and retain an equitable portion of the Award and shall apply such portion of the Award necessary to repair or restore the Premises or the Improvements as nearly as possible to condition the Premises or the Improvements were in immediately prior to such Partial Taking. Subject to the terms of the Permitted Leasehold Mortgages, if there is a Partial Taking which affects the use of the Premises after the term hereof, the Award shall be apportioned between the Tenant and the Landlord based on the ratio of the remaining term hereof and the remaining expected useful life of the Premises following the term hereof. Subject to the terms of the Permitted Leasehold Mortgages, notwithstanding any provision herein to the contrary, the Landlord shall be entitled to receive and retain any portion of the Award apportioned to the land upon which the Improvements are located. Should such award be insufficient to accomplish the restoration, such additional costs shall be paid by Tenant. Notwithstanding any provision of the Lease or by operation of law that leasehold improvements may be or shall become the property of Landlord at the termination of the Lease, the loss of the building and other improvements paid for by Tenant and such additional relief as may be provided by law shall be the basis of Tenant's damages against the condemning authority if a separate claim therefore is allowable under applicable law, or the basis of Tenant's damages to a portion of the total award if only one award is made.

(e) Resolution of Disagreements. Should Landlord and Tenant be unable to agree as to the division of any singular award or the amount of any reduction of rents and other charges payable by Tenant under the Lease, such dispute shall be submitted for resolution to the court exercising jurisdiction of the condemnation proceedings, each party bearing its respective costs for such determination. Landlord shall not agree to any settlement in lieu of condemnation with the condemning authority without Tenant's consent.

(f) No Existing Condemnation. Landlord represents and warrants that as of the Commencement Date it has no actual or constructive knowledge of any proposed condemnation of any part of the Premises. In the event that subsequent to the Effective Date, but prior to the Commencement Date, a total or partial condemnation either permanent or temporary, is proposed by any competent authority, Tenant shall be under no obligation to commence or continue construction of the building and other improvements and rent and other charges, if any, payable by Tenant under the Lease shall abate until such time as it can be reasonably ascertained that the Premises shall not be so affected. In the event the Premises is so affected, Tenant shall be entitled to all rights, damages and awards pursuant to the appropriate provisions of this Lease.

6.3. Termination upon Non-Restoration.

Following a Partial Taking, if a decision is made pursuant to this Article VI that the remaining portion of the Premises is not to be restored, and Tenant shall have determined that the continued development, use or occupancy of the remainder of the Premises by Tenant cannot be made economically viable or structurally sound, Tenant shall surrender the entire remaining portion of the Premises to Landlord and this Lease shall thereupon be terminated without liability or further recourse to the parties hereto, provided that any Rent, impositions and other amounts payable or obligations hereunder owed by Tenant to Landlord as of the date of the Partial Taking shall be paid in full.

ARTICLE VII

CONDITION OF PREMISES

7.1. Condition; Title. The Premises are demised and let in an "as is" condition as of the Commencement Date. The Premises are demised and let to Tenant subject to: As-Is. Notwithstanding anything to the contrary contained herein, upon Tenant taking possession of the Premises, Tenant shall be deemed to have accepted the Premises in its "as-is" and "where-is" condition, with any and all faults, and with the understanding that the Landlord has not offered any implied or expressed warranty as to the condition of the Premises and/or as to it being fit for any particular purpose, provided, however, that the foregoing shall not in any way limit, affect, modify or otherwise impact any of Landlord's representations, warranties and/or obligations contained in this Lease.

Tenant shall, within thirty (30) days following the Lease Date, obtain a title commitment to insure Tenant's leasehold interest in the Premises. Tenant shall advise Landlord as to any title matters that Tenant deems objectionable and Landlord may, in its sole discretion, take the steps necessary to cause such objectionable matters to be removed from the title commitment. If Landlord elects not to take such steps, it will so advise Tenant within 20 days of receipt of Tenant's notice, and Tenant shall thereafter have the right to terminate this Lease or to proceed notwithstanding the objectionable title matters.

7.2. No Encumbrances. Landlord covenants that Landlord has full right and lawful authority to enter into this Lease in accordance with the terms hereof and to grant the estate demised hereby. Landlord represents and warrants that there are no existing mortgages, deeds of trust, easements, liens, security interests, encumbrances and/or restrictions encumbering Landlord's fee interest in the Land other than the Permitted Encumbrances. Landlord's fee interest shall not hereafter be subordinated to, or made subject to, any mortgage, deed of trust, easement, lien, security interest, encumbrance and/or restriction except for an encumbrance that expressly provides that it is and shall remain subject and subordinate at all times in lien, operation and otherwise to this Lease and to all renewals, modifications, amendments, consolidations and replacements hereof (including new leases entered into pursuant to the terms hereof and extensions). Landlord covenants that it will not encumber or lien the title of the Premises or cause or permit said title to be encumbered or liened in any manner whatsoever, and Tenant may reduce or discharge any such encumbrance or lien by payment or otherwise at any time after giving thirty (30) days' written notice thereof to Landlord. Tenant may recover or recoup all costs and expenses thereof from Landlord if the Landlord fails to discharge any such encumbrance within the said thirty (30) day period.. Such recovery or recoupment may, in addition to all other remedies, be made by setting off against the amount of Rent payable by Tenant hereunder. Landlord and Tenant agree to work cooperatively together to create such easements and rights of way as may be necessary or appropriate for the Premises.

7.3. Landlord's Title and Quiet Enjoyment. Landlord represents and warrants that Landlord is seized in fee simple title to the Premises, free and clear and unencumbered, other than as affected by the Permitted Encumbrances. Landlord covenants that, so long as Tenant pays rent and performs the covenants herein contained on its part to be paid and performed, Tenant will have lawful, quiet and peaceful possession and occupancy of the Premises and all other rights and benefits accruing to Tenant under the Lease throughout the Term, without hindrance or molestation by or on the part of Landlord or anyone claiming through Landlord. Landlord further represents and warrants that it has good right, full power and lawful authority to enter into this Lease. Tenant shall have the right to order a title insurance commitment on the Premises. In

the event the title insurance commitment shall reflect encumbrances or other conditions not acceptable to Tenant ("Defects"), then, Landlord, upon notification of the Defects, shall immediately and diligently proceed to cure same and shall have a reasonable time within which to cure the Defects. If, after the exercise of all reasonable diligence, Landlord is unable to clear the Defects, then Tenant may accept the Defects or Tenant may terminate the Lease and the parties shall be released from further liability~~,~~so long as Tenant is not in default hereunder beyond any grace period applicable thereto, Tenant's possession of the Premises will not be disturbed by Landlord, its successors and assigns.

Notwithstanding Section 7.3 above, Landlord and its agents, upon reasonable prior notice to Tenant, shall have the right to enter the Premises for purposes of reasonable inspections performed during reasonable business hours in order to assure compliance by Tenant with its obligations under this Lease.

ARTICLE VIII

DEFAULTS AND TERMINATION

8.1. Default.

The occurrence of any of the following events shall constitute an event of default (***Event of Default***) hereunder:

(a) if Tenant fails to pay when due any Rent or other impositions due hereunder pursuant to Article III (except where such failure is addressed by another event described in this Section 8.1 as to which lesser notice and grace periods are provided), and any such default shall continue for thirty (30) days after the receipt of written notice thereof by Tenant from Landlord; or

(b) if Tenant fails in any material respect to observe or perform any covenant, condition, agreement or obligation hereunder not addressed by any other event described in this Section 8.1, and shall fail to cure, correct or remedy such failure within thirty (30) days after the receipt of written notice thereof, unless such failure cannot be cured by the payment of money and cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to continue if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within a reasonable period of time; provided, however, that for such time as Landlord or its affiliate is the management agent retained by Tenant, Tenant shall not be in default hereunder due to actions or inactions taken by Landlord or its affiliate in its capacity as the management agent; or

(c) If any representation or warranty of Tenant set forth in this Lease, in any certificate delivered pursuant hereto, or in any notice, certificate, demand, submittal or request delivered to Landlord by Tenant pursuant to this Lease shall prove to be incorrect in any material and adverse respect as of the time when the same shall have been made and the same shall not have been remedied to the reasonable satisfaction of Landlord within thirty (30) days after notice from Landlord; or

(d) if Tenant shall be adjudicated bankrupt or be declared insolvent under the Federal Bankruptcy Code or any other federal or state law (as now or hereafter in effect) relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts (collectively called ***Bankruptcy Laws***), or if Tenant shall (a) apply for or consent to the

appointment of, or the taking of possession by, any receiver, custodian, trustee, United States Trustee or Tenant or liquidator (or other similar official) of Tenant or of any substantial portion of Tenant's property; (b) admit in writing its inability to pay its debts generally as they become due; (c) make a general assignment for the benefit of its creditors; (d) file a petition commencing a voluntary case under or seeking to take advantage of a Bankruptcy Law; or (e) fail to controvert in a timely and appropriate manner, or in writing acquiesce to, any petition commencing an involuntary case against Tenant pursuant to any bankruptcy law; or

(e) if an order for relief against Tenant shall be entered in any involuntary case under the Federal Bankruptcy Code or any similar order against Tenant shall be entered pursuant to any other Bankruptcy Law, or if a petition commencing an involuntary case against Tenant or proposing the reorganization of Tenant under the Federal Bankruptcy Code shall be filed in and approved by any court of competent jurisdiction and not be discharged or denied within ninety (90) days after such filing, or if a proceeding or case shall be commenced in any court of competent jurisdiction seeking (a) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of Tenant, (b) the appointment of a receiver, custodian, trustee, United States Trustee or liquidator (or other similar official of Tenant) of any substantial portion of Tenant's property, or (c) any similar relief as to Tenant pursuant to Bankruptcy Law, and any such proceeding or case shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continued unstayed and in effect for ninety (90) days; or

(f) Tenant vacates or abandons the Premises or any substantial part thereof for a period of more than thirty (30) consecutive days (or, if applicable, such longer period as may be permitted in accordance with Section 6.1 or 6.2); or

(g) This Lease, the Premises or any part thereof are taken upon execution or by other process of law directed against Tenant, or are taken upon or subjected to any attachment by any creditor of Tenant or claimant against Tenant, and such attachment is not stayed or discharged within ninety (90) days after its levy; or

(h) Tenant makes any sale, conveyance, assignment or transfer in violation of this Lease.

8.2. Remedies for Tenant's Default.

Upon or after the occurrence of any Event of Default which is not cured within any applicable cure period, and so long as same remains uncured, Landlord may terminate this Lease by providing not less than thirty (30) days' written notice (which notice may be contemporaneous with any notice provided under Section 8.1) to Tenant, setting forth Tenant's uncured, continuing default and Landlord's intent to exercise its rights to terminate, whereupon this Lease shall terminate on the termination date therein set forth unless Tenant's default has been cured before such termination date. Upon such termination, Tenant's interest in the Premises shall automatically revert to Landlord, Tenant shall promptly quit and surrender the Premises to Landlord, without cost to Landlord, and Landlord may, without demand and further notice, reenter and take possession of the Premises, or any part thereof, and repossess the same as Landlord's former estate by summary proceedings, ejectment or otherwise without being deemed guilty of any manner of trespass and without prejudice to any remedies which Landlord might otherwise have for arrearages of Rent or other impositions hereunder or for a prior breach of the provisions of this Lease. The obligations of Tenant under this Lease which arose prior to termination shall survive such termination.

8.3. Termination. Termination by Landlord: The occurrence of any of the following shall give Landlord the right to terminate this Lease upon the terms and conditions set forth below:

(a) Tenant fails to cause the Commencement Date to occur within eleven (11) months following the Lease Date.

(b) Tenant and Landlord fail to obtain final approval of this Lease by the Miami-Dade Board of County Commissioners, which shall be within the Board's sole discretion (signature of this Lease by the Landlord shall be *prima facie* evidence of such approval).

(c) Institution of proceedings in voluntary bankruptcy by the Tenant

(d) Institution of proceedings in involuntary bankruptcy against the Tenant if such proceedings continue for a period of Ninety (90) days or more.

(e) Assignment of Lease by Tenant for the benefit of creditors.

(f) A final determination of termination of this Lease in a court of law in favor of the Landlord in litigation instituted by the Tenant against the Landlord, or brought by the Landlord against Tenant.

(g) Tenant's failure to cure, within thirty (30) days following Tenant's receipt of written notice from Landlord with respect to Tenant's failure to cure a condition posing a threat to health or safety of the public or patrons (or such longer period if the default is not capable of being cured in such 30 day period).

8.4. Remedies Following Termination. Upon termination of this Lease, Landlord may:

1. retain, at the time of such termination, any Rent or other impositions paid hereunder, without any deduction, offset or recoupment whatsoever; and

2. enforce its rights under any bond outstanding at the time of such termination; and

3. require Tenant to deliver to Landlord, or otherwise effectively transfer to Landlord any and all governmental approvals and permits, and any and all rights of possession, ownership or control Tenant may have in and to, any and all financing arrangements, plans, specifications, and other technical documents or materials related to the Premises.

8.5. Regulatory Default.

Notwithstanding anything herein to the contrary, the following shall apply to any default declared as a result of any failure by Tenant to comply with the provisions of Section 8.1:

Upon a determination by Landlord that Tenant has materially breached or defaulted on any of the obligations under Section 8.1 (a ***Regulatory Default***), Landlord shall notify Tenant of (i) the nature of the Regulatory Default, (ii) the actions required to be taken by Tenant in order to cure the Regulatory Default, and (iii) the time, (a minimum of sixty (60) days or such additional time period as may be reasonable under the circumstances), within which Tenant shall respond with reasonable evidence to Landlord that all such required actions have been taken.

(a) If Tenant shall have failed to respond or take the appropriate corrective action with respect to a Regulatory Default to the reasonable satisfaction of Landlord within the applicable time period, then Landlord shall have the right to terminate the Lease or seek other legal or equitable remedies as Landlord determines in its sole discretion; provided, however, that if prior to the end of the applicable time period, Tenant seeks a declaratory judgment or other order from a court having jurisdiction that Tenant shall not have incurred a Regulatory Default, Landlord shall not terminate this Lease during the pendency of such action.

(b) In addition to and not in limitation of the foregoing, if Landlord shall determine that a Regulatory Default shall have occurred by reason of a default by Tenant's management agent, and that Tenant shall have failed to respond or take corrective action to the reasonable satisfaction of Landlord within the applicable cure period, then Landlord may require Tenant to take such actions as are necessary in order to terminate the appointment of the management agent pursuant to the terms of its management agreement and to appoint a successor management agent of the Premises.

8.6. Performance by Landlord.

If Tenant shall fail to make any payment or perform any act required under this Lease, Landlord may (but need not) after giving not less than thirty (30) (except in case of emergencies and except where a shorter time period is specified elsewhere in this Lease) days' notice to Tenant and without waiving any default or releasing Tenant from any obligations, cure such default for the account of Tenant. Tenant shall promptly pay Landlord the amount of such charges, costs and expenses as Landlord shall have incurred in curing such default.

8.7. Costs and Damages.

Tenant shall be liable to, and shall reimburse, Landlord for any and all actual reasonable expenditures incurred and for any and all actual damages suffered by Landlord in connection with any Event of Default, collection of Rent or other impositions owed under this Lease, the remedying of any default under this Lease or any termination of this Lease, unless such termination is caused by the default of Landlord, including all costs, claims, losses, liabilities, damages and expenses (including without limitation, reasonable attorneys' fees and costs) incurred by Landlord as a result thereof.

8.8. Remedies Cumulative.

The absence in this Lease of any enumeration of events of default by Landlord or remedies of either party with respect to money damages or specific performance shall not constitute a waiver by either party of its right to assert any claim or remedy available to it under law or in equity.

8.9 Permitted Leasehold Mortgages.

Neither the Tenant nor any permitted successor in interest to the Premises or any part thereof shall, without the prior written consent of the Landlord in each instance, engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Premises, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Premises, except for the Permitted Encumbrances and the leasehold mortgages securing the loans which will be obtained by Tenant for renovation of the

Improvements and closed on or about the Commencement Date (the "**Permitted Leasehold Mortgages**"). With respect to the Permitted Leasehold Mortgages, the following provisions shall apply:

(a) When giving notice to the Tenant with respect to any default under the provisions of this Lease, the Landlord will also send a copy of such notice to the holder of each Permitted Leasehold Mortgage (each a "**Permitted Leasehold Mortgagee**"), provided that each such Permitted Leasehold Mortgagee shall have delivered to the Landlord in writing a notice naming itself as the holder of a Permitted Leasehold Mortgage and registering the name and post office address to which all notices and other communications to it may be addressed.

(b) Each Permitted Leasehold Mortgagee shall be permitted, but not obligated, to cure any default by the Tenant under this Lease within the same period of time specified for the Tenant to cure such default. The Tenant authorizes each Permitted Leasehold Mortgagee to take any such action at such Permitted Leasehold Mortgagee's option and does hereby authorize entry upon the Premises for such purpose.

(c) The Landlord agrees to accept payment or performance by any Permitted Leasehold Mortgagee as though the same had been done by the Tenant.

(d) In the case of a default by the Tenant other than in the payment of money, and provided that a Permitted Leasehold Mortgagee has commenced to cure the default and is proceeding with due diligence to cure the default, the Landlord will refrain from terminating this Lease for a reasonable period of time (not to exceed 120 days from the date of the notice of default, unless (i) such cure cannot reasonably be completed within 120 days from the date of the notice of default, and (ii) a Permitted Leasehold Mortgagee continues to diligently pursue such cure to the reasonable satisfaction of the Landlord) within which time the Permitted Leasehold Mortgagee may either (i) obtain possession of the Premises (including possession by receiver); (ii) institute foreclosure proceedings and complete such foreclosure; or (iii) otherwise acquire the Tenant's interest under this Lease. The Permitted Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which was the subject of the notice shall have been cured. Notwithstanding the foregoing, the Landlord will refrain from terminating this Lease in the event such Permitted Leasehold Mortgagee is enjoined or stayed in such possession or such foreclosure proceedings, and provided that the Permitted Leasehold Mortgagee has delivered to Landlord copies of any and all orders enjoining or staying such action, Landlord will grant such Permitted Leasehold Mortgagee such additional time as is required for such Permitted Leasehold Mortgagee to complete steps to acquire or sell Tenant's leasehold estate and interest in this Lease by foreclosure of its Permitted Leasehold Mortgage or by other appropriate means with due diligence; however, nothing in this Section shall be construed to extend this Lease beyond the Term.

(e) Any Permitted Leasehold Mortgagee or other acquirer of Tenant's leasehold estate and interest in this Lease pursuant to foreclosure, an assignment in lieu of foreclosure or other proceedings, any of which are permitted without the Landlord's consent, may, upon acquiring the Tenant's leasehold estate and interest in this Lease, without further consent of the Landlord and without HUD's consent, sell and assign the leasehold estate and interest in this Lease on such terms and to such persons and organizations as are acceptable to such Permitted Leasehold Mortgagee or acquirer and thereafter be relieved of all obligations under this Lease, provided such assignee has delivered to the Landlord its written agreement to be

bound by all of the provisions of this Lease. Permitted Leasehold Mortgagee, or its nominee or designee, shall also have the right to further assign, sublease or sublet all or any part of the leasehold interest hereunder to a third party without the consent or approval of Landlord.

(f) In the event of a termination of this Lease prior to its stated expiration date, the Landlord will enter into a new lease for the Premises with the Permitted Leasehold Mortgagee (or its nominee), for the remainder of the term, effective as of the date of such termination, at the same Rent payment and subject to the same covenants and agreements, terms, provisions, and limitations herein contained, provided that:

(1) The Landlord receives the Permitted Leasehold Mortgagee's written request for such new lease within 30 days from the date of such termination and notice thereof by the Landlord to the Permitted Leasehold Mortgagee (including an itemization of amounts then due and owing to the Landlord under this Lease), and such written request is accompanied by payment to the Landlord of all amounts then due and owing to Landlord under this Lease and, within 10 days after the delivery of an accounting therefor by the Landlord, pays any and all costs and expenses incurred by the Landlord in connection with the execution and delivery of the new lease, less the net income collected by the Landlord from the Premises subsequent to the date of termination of this Lease and prior to the execution and delivery of the new lease, any excess of such net income over the aforesaid sums and expenses to be applied in payment of the Rent payment thereafter becoming due under the new lease, provided, however, that the Permitted Leasehold Mortgagee shall receive full credit for all capitalized lease and Rent payments previously delivered by the Tenant to the Landlord; and

(2) Upon the execution and delivery of the new lease at the time payment is made in (1) above, all subleases which thereafter may have been assigned and transferred to the Landlord shall thereupon be assigned and transferred without recourse by the Landlord to the Permitted Leasehold Mortgagee (or its nominee), as the new Tenant.

(3) If a Permitted Leasehold Mortgagee acquires the leasehold estate created hereunder or otherwise acquires possession of the Premises pursuant to available legal remedies, Landlord will look to such holder to perform the obligations of Tenant hereunder only from and after the date of foreclosure or possession and will not hold such holder responsible for the past actions or inactions of the prior Tenant. Permitted Leasehold Mortgagee's liability shall be limited to the value of such Permitted Leasehold Mortgagee's interest in this Lease and in the leasehold estate created thereby.

Notwithstanding the foregoing and to the extent permitted by Section 42 of the Code, the deadline to complete construction of the Improvements set forth in Article V shall be extended for such period of time as may be reasonably required by the Permitted Leasehold Mortgagee or its nominee to complete construction.

ARTICLE IX

SOVEREIGNTY AND POLICE POWERS

9.1. County as Sovereign

It is expressly understood that notwithstanding any provision of this Lease and the Landlord's status thereunder:

1. The Landlord retains all of its sovereign prerogatives and rights as a county under Florida laws and shall in no way be estopped from withholding or refusing to issue any approvals of applications for tax exemption, building, zoning, planning or development under present or future laws and regulations of whatever nature applicable to the planning, design, construction and development of the Premises or the operation thereof, or be liable for the same; and

2. The Landlord shall not by virtue of this Lease be obligated to grant the Tenant any approvals of applications for tax emption, building, zoning, planning or development under present or future laws and ordinances of whatever nature applicable to the planning, design, construction, development and/or operation of the Premises.

9.2. No Liability for Exercise of Police Power.

Notwithstanding and prevailing over any contrary provision in this Lease, or any Landlord covenant or obligation that may be contained in this Lease, or any implied or perceived duty or obligation including but not limited to the following:

(i) To cooperate with, or provide good faith, diligent, reasonable or other similar efforts to assist the Tenant, regardless of the purpose required for such cooperation;

(ii) To execute documents or give approvals, regardless of the purpose required for such execution or approvals;

(iii) To apply for or assist the Tenant in applying for any county, city or third party permit or needed approval; or

(iv) To contest, defend against, or assist the Tenant in contesting or defending against any challenge of any nature;

shall not bind the Board of County Commissioners, the Planning and Zoning Department, DERM, the Property Appraiser or any other county, city, federal or state department or authority, committee or agency to grant or leave in effect any tax exemptions, zoning changes, variances, permits, waivers, contract amendments, or any other approvals that may be granted, withheld or revoked in the discretion of the Landlord or any other applicable governmental agencies in the exercise of its police power; and the Landlord shall be released and held harmless, by the Tenant from and against any liability, responsibility, claims, consequential or other damages, or losses to the Tenant or to any third parties resulting from denial, withholding or revocation (in whole or in part) of any zoning or other changes, variances, permits, waivers, amendments, or

approvals of any kind or nature whatsoever. Without limiting the foregoing, the parties recognize that the approval of any building permit and/or certificate of occupancy or tax exemption will require the Landlord to exercise its quasi-judicial or police powers. Notwithstanding any other provision of this Lease, the Landlord shall have no obligation to approve, in whole or in part, any application for any type of tax exemption, permit, license, zoning or any other type of matter requiring government approval or waiver. The Landlord's obligation to use reasonable good faith efforts in the permitting of the use of County-owned property shall not extend to any exercise of quasi-judicial or police powers, and shall be limited solely to ministerial actions, including the timely acceptance and processing of any requests or inquiries by Tenant as authorized by this Lease. Moreover, in no event shall a failure of the Landlord to adopt any of the Tenant's request or application for any type of permit, license, zoning or any other type of matter requiring government approval or waiver be construed a breach or default of this Lease.

ARTICLE X

MISCELLANEOUS

10.1. Construction.

Landlord and Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section thereof.

10.2. Performance Under Protest.

In the event of a dispute or difference between Landlord and Tenant as to any obligation which either may assert the other is obligated to perform or do, then the party against whom such obligation is asserted shall have the right and privilege to carry out and perform the obligation so asserted against it without being considered a volunteer or deemed to have admitted the correctness of the claim, and shall have the right to bring an appropriate action at law, equity or otherwise against the other for the recovery of any sums expended in the performance thereof and in any such action, the successful party shall be entitled to recover in addition to all other recoveries such reasonable attorneys' fees as may be awarded by the Court.

10.3. No Waiver.

Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any other provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either party shall require the consent or approval of the other party, the other party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion. Any and all rights and remedies which either party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them whether exercised by said party or not, shall be deemed to be in exclusion of any other; and two or more or all of such rights and remedies may be exercised at the same time.

10.4. Headings.

The headings used for the various articles and sections of this Lease are used only as a matter of convenience for reference, and are not to be construed as part of this Lease or to be used in determining the intent of the parties of this Lease.

10.5. Partial Invalidity.

If any terms, covenant, provision or condition of this Lease or the application thereof to any person or circumstances shall be declared invalid or unenforceable by the final ruling of a court of competent jurisdiction having final review, the remaining terms, covenants, provisions and conditions of this Lease and their application to persons or circumstances shall not be affected thereby and shall continue to be enforced and recognized as valid agreements of the parties, and in the place of such invalid or unenforceable provision there shall be substituted a like, but valid and enforceable, provision which comports to the findings of the aforesaid court and most nearly accomplishes the original intention of the parties.

10.6. Decision Standards.

In any approval, consent or other determination by any party required under any provision of this Lease, the party shall act reasonably, in good faith and in a timely manner, unless a different standard is explicitly stated.

10.7. Bind and Inure.

Unless repugnant to the context, the words ***Landlord*** and ***Tenant*** shall be construed to mean the original parties, their respective successors and assigns and those claiming through or under them respectively. The agreements and conditions in this Lease contained on the part of Tenant to be performed and observed shall be binding upon Tenant and its successors and assigns and shall inure to the benefit of Landlord and its successors and assigns, and the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and its successors and assigns and shall inure to the benefit of Tenant and its successors and assigns. No holder of a mortgage of the leasehold interest hereunder shall be deemed to be the holder of said leasehold estate until such holder shall have acquired indefeasible title to said leasehold estate.

10.8. Estoppel Certificate.

Each party agrees from time to time, upon no less than fifteen (15) days' prior notice from the other or from any Permitted Leasehold Mortgagee, to execute, acknowledge and deliver to the other, as the case may be, a statement certifying that (i) this Lease is unmodified and in full force and effect (or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (ii) the dates to which the Rent has been paid, and that no additional rent or other payments are due under this Lease (or if additional rent or other payments are due, the nature and amount of the same), and (iii) whether there exists any uncured default by the other party, or any defense, offset, or counterclaim against the other party, and, if so, the nature of such default, defense, offset or counterclaim.

10.9. Recordation.

Simultaneously with the delivery of the Lease the parties have delivered a memorandum, notice or short-form of this Lease or this Lease which Tenant shall record in the appropriate office of the Public Records of Miami-Dade County. If this Lease is terminated before the Term expires, the parties shall execute, deliver and record an instrument acknowledging such fact and the date of termination of this Lease.

10.10. Notice.

Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease shall be in writing, may be delivered on behalf of a party by such party's counsel, and shall be deemed given when received, if (i) delivered by hand, (ii) sent by registered or certified mail, return receipt requested, or (iii) sent by recognized overnight delivery service such as Federal Express, addressed as follows:

If to the Landlord:	Miami-Dade County c/o Miami-Dade Public Housing and Community Development 701 N.W. 1st Court, 16th Floor Miami, Florida 33136 Attn: Michael Liu, Director
and a copy to:	Miami-Dade County Attorney's Office 111 N.W. 1st Street, Suite 2810 Miami, Florida 33128 Attn: Terrence A. Smith, Esq. Assistant County Attorney
If to Tenant:	Stirrup Plaza Phase Two, LLC 315 So. Biscayne Boulevard Miami, FL 33131 Attn: Alberto Milo, Jr.
and a copy to:	Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200 Miami, FL 33130 Attention: Patricia K. Green, Esq.

A party may change its address by giving written notice to the other party as specified herein.

10.11. Entire Agreement.

This instrument contains all the agreements made between the parties hereto and may not be modified in any other manner than by an instrument in writing executed by the parties or their respective successors in interest.

10.12. Amendment.

This Lease may be amended by mutual agreement of Landlord and Tenant, provided that all amendments must be in writing and signed by both parties and that no amendment shall impair the obligations of Tenant to develop and operate the Premises. Tenant and Landlord hereby expressly stipulate and agree that, they will not modify this Lease in any way nor cancel or terminate this Lease by mutual agreement nor will Tenant surrender its interest in this Lease,

including but not limited to pursuant to the provisions of Section 6.3, without the prior written consent of all Permitted Leasehold Mortgagees and, following the admission of the Investor, the Tenant's Investor. No amendment to or termination of this Lease shall become effective without all such required consents. Tenant and Landlord further agree that they will not, respectively, take advantage of any provisions of the United States Bankruptcy Code that would result in a termination of this Lease or make it unenforceable.

10.13. Governing Law, Forum, and Jurisdiction.

This Lease shall be governed and construed in accordance with the laws of the State of Florida. Any dispute arising from this Lease or the contractual relationship between the Parties shall be decided solely and exclusively by State or Federal courts located in Miami-Dade County, Florida.

10.14. Relationship of Parties; No Third Party Beneficiary.

The parties hereto expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a principal/agent relationship exist between them.

10.15. Access.

Tenant agrees to grant a right of access to the Landlord or any of its authorized representatives, with respect to any books, documents, papers, or other records related to this Lease in order to make audits, examinations, excerpts, and transcripts until 3 years after the termination date of this Lease.

10.16. Radon Gas.

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

10.17. Non-Merger.

Except upon expiration of the Term or upon termination of this Lease pursuant to an express right of termination set forth herein, there shall be no merger of either this Lease or Tenant's estate created hereunder with the fee estate of the Premises or any part thereof by reason of the fact that the same person may acquire, own or hold, directly or indirectly, (a) this Lease, Tenant's estate created hereunder or any interest in this Lease or Tenant's estate (including the Improvements), and (b) the fee estate in the Premises or any part thereof or any interest in such fee estate (including the Improvements), unless and until all persons, including any assignee of Landlord and, having an interest in (i) this Lease or Tenant's estate created hereunder, and (ii) the fee estate in the Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

ARTICLE XI

RIGHT OF FIRST OFFER; RIGHT OF FIRST REFUSAL

11.1. Landlord's Intent to Market Premises.

If Landlord, in its sole discretion (but subject to any applicable HUD requirements relating to disposition and State laws relating to the sale or conveyance of County-owned property), decides to sell its interest in the Premises, then, prior to marketing the Premises, Landlord shall give written notice of such intent to Tenant setting forth the terms and conditions on which Landlord desires to sell the Premises (***Sales Notice***). Tenant shall have sixty (60) days thereafter within which to notify Landlord of its intent to purchase the Premises offered for sale upon such terms and conditions as are set forth in the Sales Notice. If such Sales Notice is timely given, the Closing shall be ninety (90) days after the date of the Sales Notice. The status of title to be delivered and the instruments to be executed pursuant thereto shall be as stated in the Sales Notice and the amount of earnest money that Tenant shall be required to deposit with the notification of intent to purchase by matching the offer shall be as stated in the Sales Notice. Failure of Tenan to so notify Landlord in a timely manner shall be deemed an election not to purchase. In the event Tenant does not so timely notify Landlord of its intent to purchase the offered property upon the terms and conditions stated in the Sales Notice, Landlord shall be free to market such property on its own or through a broker and thereafter may sell the property, subject to all of the terms and conditions of the Lease and any applicable requirements of HUD or any other legal requirements; provided that Landlord may not sell the Premises on terms and conditions that are materially different from those contained in any Sales Notice received by Tenant without first offering Tenant the opportunity once again to purchase the Premises in accordance with this Section 11.1 upon such materially different terms and conditions upon which Landlord bases its offer of sale.

11.2. Right of First Refusal.

If Landlord is not marketing the Premises as provided in Section 11.1 above, but receives a written offer in acceptable form from an unrelated third party that Landlord is willing to accept for the purchase of the Premises (a ***Sales Offer***), Landlord shall notify Tenant of the terms and conditions of such Sales Offer. Tenant shall then have sixty (60) days within which to notify Landlord of its intent to purchase the Premises by matching said Sales Offer and, in the event of such timely response, the closing of the purchase and sale of the Premises shall be in accordance with the terms of such Sales Offer. In the event that timely notice is not given by Tenant to Landlord, Tenant shall be deemed to have elected not to match said Sales Offer, and Landlord shall be free to sell the Premises to such third party on the terms and conditions set forth in the Sales Offer, subject, however, to all terms and conditions of this Lease and any applicable requirements of HUD or any other legal requirements. If Landlord fails to sell the Premises to such third party for an aggregate sales price not less than ninety-five percent (95%) of the sales price set forth in the Sales Offer and otherwise in accordance with the terms of the Sales Offer within one hundred and eighty (180) days after Landlord is entitled to sell the Premises to such third party, the right of first refusal created in this Section 11.2 shall be revived and again shall be enforceable.

11.3. Mortgagee Rights. Tenant's rights with respect to any option to purchase the Premises as set forth in this Section 11 shall be assignable to and may be exercised by any Permitted Leasehold Mortgagee which succeeds in interest to the Tenant, without requiring any consent or approval by Landlord.

ARTICLE XII

ADDITONAL PROVISIONS PERTAINING TO REMEDIES

12.1 Reinstatement. Notwithstanding anything to the contrary contained in the Lease, in the event Landlord exercises its remedies pursuant to Article VIII and terminates this Lease, Tenant may, within 90 days following such termination reinstate this Lease for the balance of the Term by paying to Landlord an amount equal to the actual damages incurred by Landlord as a result of the breach that resulted in such termination and any actual costs or expenses incurred by Landlord as a result of such reinstatement of this Lease.

12.2 Notice. Notwithstanding anything to the contrary contained in the Lease, Landlord shall not exercise any of its remedies hereunder without having given notice of the Event of Default or other breach or default to the Investor (following the admission of the Investor) simultaneously with the giving of notice to Tenant as required under the provisions of Article VIII of the Lease. The Investor shall have the same cure period after the giving of a notice as provided to Tenant, plus an additional period of 60 days. If the Investor elects to cure the Event of Default or other breach or default, Landlord agrees to accept such performance as though the same had been done or performed by Tenant.

12.3 Investor. Notwithstanding anything to the contrary contained in the Lease, following the admission of the Investor, the Investor shall be deemed a third-party beneficiary of the provisions of this Section for the sole and exclusive purpose of entitling the Investor to exercise its rights to notice and cure, as expressly stated herein. The foregoing right of the Investor to be a third-party beneficiary under the Lease shall be the only right of Investor (express or implied) to be a third-party beneficiary hereunder.

12.4 New Managing Member. Notwithstanding anything to the contrary contained in the Lease, Landlord agrees that it will take no action to effect a termination of the Lease by reason of any Event of Default or any other breach or default without first giving to the Investor reasonable time, not to exceed 60 days, to replace Tenant's managing member and/or admit an additional managing member and cause the new managing member to cure the Event of Default or other breach or default; provided, however, that as a condition of such forbearance, Landlord must receive notice from the Investor of the substitution or admission of a new managing member of Tenant within 30 days following Landlord's notice to Tenant and the Investor of the Event of Default or other breach or default, and Tenant, following such substitution or admission of the managing member, shall thereupon proceed with due diligence to cure such Event of Default or other breach or default. In no event, however, shall Landlord be required to engage in the forbearance described in this section for a period longer than six (6) months, regardless of the due diligence of the Investor or the new managing member.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this Agreement on the date first written above.

LANDLORD:

MIAMI-DADE COUNTY

_____
Witness
Print Name:_____

By: _____

Name: RUSSELL BENFORD

Title: Deputy Mayor

_____
Witness
Print Name:_____

Date: _____

Attest: HARVEY RUVIN, Clerk

_____
Deputy Clerk

Approved as to form and legal sufficiency:

_____
Terrence A. Smith
Assistant County Attorney

TENANT:

STIRRUP PLAZA PHASE TWO, LLC, a Florida limited liability company

By: Stirrup Plaza Phase Two Manager, LLC, a Florida limited liability company, its manager

_____
Witness
Print Name:_____

By:_____
Alberto Milo, Jr., Vice President

_____
Witness
Print Name:_____

#3749322 v4
30364-0957

EXHIBIT A

Land

That portion of Lots 5, 6 and 7, that portion of Lots 8, 9 and 10, E.W.F. STIRRUP SUBDIVISION, according to the Plat thereof as recorded in Plat Book 1, Page 12, of the Public Records of Miami-Dade County, Florida, and that portion of Lots 1, 2, 34, 35, 36, 37, 38, 39 and 40, MUNDY'S ADDITION, according to the Plat thereof as recorded in Plat Book 15, Page 29, of the Public Records of Miami-Dade County, Florida, more particularly described as follows:
Commence at the southeast corner of said Lot 2, MUNDY'S ADDITION; thence Northerly along the East line of said Lot 2, said line also being the West right of way line of Mundy Street a distance of 86.35 feet to the Point of Beginning; thence Westerly perpendicular to the previously described line 124.48 feet; thence Northerly along a line 16 feet west of and parallel to the West line of said Lot 1, MUNDY'S ADDITION, 121.56 feet; thence Westerly along a line 5 feet north of and parallel to the South line of said Lot 7, E.W.F. STIRRUP SUBDIVISION, 73.94 feet; thence Northerly perpendicular to the previously described line56.17 feet; thence Northeasterly along a line parallel to the Southeasterly Right of Way line of State Road No. 5 (U.S. Highway No. 1) 195.58 feet; thence Northerly along a line parallel to the East line of said Lot 35, MUNDY'S ADDITION, 62.81 feet; thence Easterly perpendicular to the previously described line 53.00 feet; thence Southerly along the East line of Lot 34 also being the West right of way line of Mundy Street a distance of 371.60 feet to the Point of Beginning. Containing 46,074.7 sq.ft. more or less.

0

EXHIBIT B

Insurance Requirements

(a) Prior to the commencement of construction by Tenant, Tenant shall furnish an "All Risk Builder's Risk Completed Value Form" policy for the full completed insurable value of the Premises in form satisfactory to Landlord.

(b) The Tenant shall furnish to the Vendor Assistance Section, Department of Procurement Management, Administration Division, 111 NW 1st Street, Suite 1300, Miami, Florida 33128, Certificate(s) of Insurance which indicate that insurance coverage has been obtained which meets the requirements as outlined below:

A. Worker's Compensation Insurance for all employees of the vendor as required by Florida Statute 440.

B. Commercial General Liability Insurance on a comprehensive basis in an amount not less than $500,000 combined single limit per occurrence for bodily injury and property damage. **Miami-Dade County must be shown as an additional insured with respect to this coverage.**

C. Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with the work, in an amount not less than $500,000 combined single limit per occurrence for bodily injury and property damage.

D. Professional Liability Insurance (for professionals performing services for Tenant) in an amount not less than $1,000,000.

All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications:

The company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength, by the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the County Risk Management Division.

or

The company must hold a valid Florida Certificate of Authority as shown in the latest "List of All Insurance Companies Authorized or Approved to Do Business in Florida" issued by the State of Florida Department of Insurance and are members of the Florida Guaranty Fund.

Certificates will indicate no modification or change in insurance shall be made without thirty (30) days in advance notice to the certificate holder.

NOTE: MIAMI-DADE COUNTY RFP NUMBER AND TITLE OF RFP MUST APPEAR ON EACH CERTIFICATE.

CERTIFICATE HOLDER MUST READ: **MIAMI-DADE COUNTY**
111 NW 1st STREET
SUITE 2340
MIAMI, FL 33128

Compliance with the foregoing requirements shall not relieve Tenant of their liability and obligation under this section or under any other section of this agreement

Execution of this Lease is contingent upon the receipt of the insurance documents, as required, within fifteen (15) calendar days after Landlord's notification to Tenant to comply before the award is made. If the insurance certificate is received within the specified time frame but not in the manner prescribed in this Lease, the Tenant shall be verbally notified of such deficiency and shall have an additional five (5) calendar days to submit a corrected certificate to the County. If the Tenant fails to submit the required insurance documents in the manner prescribed in this Lease within twenty (20) calendar days after Landlord's notification to comply, it shall be an Event of Default pursuant to the Lease.

The Tenant shall be responsible for assuring that the insurance certificates required in conjunction with this Exhibit remain in force for the duration of the Term of the Lease, including any and all option years or extension periods that may be granted by the Landlord. If insurance certificates are scheduled to expire during the Term, the Tenant shall be responsible for submitting new or renewed insurance certificates to the Landlord at a minimum of thirty (30) calendar days in advance of such expiration. In the event that expired certificates are not replaced with new or renewed certificates which cover the contractual period, the Landlord shall provide thirty (30) days written notice to Tenant to cure the noncompliance. In the event Tenant does not replace the expired certificates with new or renewed certificates which cover the contractual period, it shall be an Event of Default pursuant to the Lease.

(c) The Tenant agrees to cooperate with the Landlord in obtaining the benefits of any insurance or other proceeds lawfully or equitably payable to the Landlord in connection with this Lease.

(d) The "All Risk Builder's Risk Completed Value Form" policy with respect to the Premises shall be converted to an "all risk" or comprehensive insurance policy upon completion of the Improvements, naming Landlord as an additional insured thereunder and shall insure the Project in an amount not less than the full insurable replacement value of the Premises. The Tenant hereby agrees that all insurance proceeds from the All Risk Builder Risk Completed Value Form policy (or if converted, the "all risk" or comprehensive policy) shall be used to restore, replace or rebuild the Improvements, if the Tenant determines that it is in its best interest to do so, subject to the requirements of any approved mortgage lien holder's rights secured against the Premises and subject further to the terms of Article VI of the Lease.

(e) All such insurance policies shall contain (i) an agreement by the insurer that it will not cancel the policy without delivering prior written notice of cancellation to each named insured and loss payee thirty (30) days prior to canceling the insurance policy; and (ii) endorsements that the rights of the named insured(s) to receive and collect the insurance proceeds under the policies shall not be diminished because of any additional insurance coverage carried by the Tenant for its own account.

(f) If the Premises is located in a federally designated flood plain, an acceptable flood insurance policy shall also be delivered to the Landlord, providing coverage in the

maximum amount reasonable necessary to insure against the risk of loss from damage to the Premises caused by a flood.

(g) Neither the Landlord nor the Tenant shall be liable to the other (or to any insurance company insuring the other party), for payment of losses insured by insurance policies benefiting the parties suffering such loss or damage, even though such loss or damage might have been caused by the negligence of the other party, its agents or employees.

EXHIBIT C

This Instrument Was Prepared By:

Patricia K. Green, Esq.
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 2200
Miami, Florida 33130

Record and Return To:
Patricia K. Green, Esq.
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 2200
Miami, Florida 33130

ACCESS AND PARKING AGREEMENT AND EASEMENT

This Access and Parking Agreement and Easement (the "Agreement") is made and entered into as of the ____ day of _____, 2014 by and between:

STIRRUP PLAZA PRESERVATION PHASE ONE, LLC, a Florida limited liability company ("Phase One Owner") and

STIRRUP PLAZA PHASE TWO, LLC, a Florida limited liability company ("Phase Two Owner")

each having its principal office located at 315 South Biscayne Boulevard, Miami, FL 33131.

RECITALS

A. Phase One Owner is the owner of a leasehold interest in the property legally described on Exhibit "A" attached hereto and made a part hereof (the "Phase I Property") pursuant to that certain lease by and between Phase One Owner, as lessee, and Miami-Dade County, a political subdivision of the State of Florida (the "County") as lessor. Phase One Owner has renovated a one hundred (100) unit public housing complex and is constructing a wellness center on the Phase I Property.

B. Phase Two Owner is the owner of a leasehold interest in the property legally described on Exhibit "B" attached hereto and made a part hereof (the "Phase II Property") pursuant to that certain lease by and between the County, as lessor, and Phase Two Owner. Phase Two Owner intends to develop a sixty-eight (68) unit apartment complex of which seven (7) units will be public housing on the Phase II Property.

C. Phase One Owner and Phase Two Owner are sometimes herein collectively referred to as the "Parties" and each, individually, as a "Party".

D. For good and valuable consideration, Phase One Owner and Phase Two Owner have agreed to grant to each other as an appurtenance to their respective properties, the non-exclusive easements described herein for access, ingress and egress, use of the paved areas, parking spaces, open space and certain tenant amenities on their respective properties, and utility connections.

AGREEMENT

NOW, THEREFORE, in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Recitals. The above recitals are true and correct and by this reference are incorporated as if fully set forth herein.

2. Phase I Access, Utilities, Parking and Amenities Easement. Phase One Owner hereby grants to Phase Two Owner for its use and benefit, and the use and benefit of its successors and assigns who acquire an interest in the Phase II Property, and their tenants, agents, employees, customers and invitees, a non-exclusive easement (i) for vehicular and pedestrian ingress and egress over, across and through the driveways and sidewalks constructed from time to time within the Phase I Property, (ii) for the purpose of access and connection to public or private utilities that do not have direct connections to the Phase II Property, (iii) for the use and enjoyment of the exterior recreational amenities constructed on the Phase I Property now or in the future, including but not limited to car care areas, playgrounds, and similar exterior amenities (collectively, the "Recreational Facilities") which are located on the Phase I Property from time to time and (iv) for parking in spaces which are proximate to said Recreational Facilities during the use thereof.

3. Phase II Access and Amenities Easement. Phase Two Owner hereby grants to Phase One Owner for its use and benefit, and the use and benefit of its successors and assigns who acquire an interest in the Phase I Property, and their tenants, agents, employees, customers and invitees, a non-exclusive easement (i) for vehicular and pedestrian ingress and egress over, across and through the driveways and sidewalks constructed from time to time within the Phase II Property, (ii) for the purpose of access and connection to public or private utilities that do not have direct connections to the Phase I Property, (iii) for the use and enjoyment of the exterior Recreational Facilities which are located on the Phase II Property from time to time and (iv) for parking in spaces which are proximate to said Recreational Facilities during the use thereof.

4. Maintenance. Each of the Parties agrees to maintain the driveways, sidewalks, parking spaces and exterior Recreational Facilities within its respective property for the joint use thereof

by the Parties hereto, in working condition and free of material defects, subject to occasional interruption of service due to (i) ordinary wear and tear and use thereof, (ii) routine or extraordinary maintenance or (iii) events beyond the granting Party's reasonable control. Each of the granting Parties shall have the right to perform all such maintenance and repairs itself through its management company, or to select the contractor(s) of its choice in connection with all aspects of maintenance, repair and operation of its driveways, sidewalks, parking spaces and Recreational Facilities. No Party shall be obligated to pay for the use or maintenance of the other's driveways, sidewalks, parking spaces or Recreational Facilities, except to the extent any such maintenance is necessitated by the negligent or intentional act or omission of the benefitted Party. In no event shall a party have access to the other's interior facilities such as computer labs, tenant meeting rooms or exercise facilities pursuant to the easements created hereby.

5. Indemnity. Each of the Parties hereto agrees to indemnify the other and hold it harmless from and against any and all loss, cost, expense, claims or damages suffered by a Party as a result of the negligent or willful act or omission of the other, its employees, agents and contractors, as a result of the exercise of the rights and obligations of the Parties under this Agreement, except for any such liability, loss, damage, cost or expense as may arise in whole or in part from the acts of the Party seeking indemnification.

6. Successors and Assigns. This Agreement shall bind, and the benefit thereof shall inure to, the respective successors and assigns of the Parties hereto.

7. No Public Dedication. Nothing contained in this Agreement shall, in any way, be deemed or constituted a gift of or dedication of any portion of any lands described herein to the general public or for the benefit of the general public whatsoever, it being the intention of the Parties hereto that this Agreement shall be limited to and utilized for the purposes expressed herein and only for the benefit of the persons herein named.

8. Remedies. Upon a default by any Party hereto the non-defaulting Party shall have any and all remedies available at law or in equity; provided, however, that no Party shall have the right to invoke any equitable remedy which would deny another Party physical access to its property.

9. Enforcement. In the event it becomes necessary for any Party including the holder of any mortgage lien to defend or institute legal proceedings as a result of the failure of either Party to comply with the terms, covenants and conditions of this Agreement, the prevailing Party in such litigation shall recover from the other Party all costs and expenses incurred or expended in connection therewith, including, without limitation, reasonable attorneys' fees and costs, at all levels.

10. Notices to Mortgagees. Each of the Parties agrees to furnish duplicate copies of any notices of default delivered to the other, to the holder of any mortgage lien encumbering their

respective properties, provided that the identity and address of such mortgagees have been made known to the Party sending any such notice.

11. Termination. At the election of the County, this Agreement shall terminate upon termination or cancellation of either or both of the respective ground leases between the Parties and the County. The County shall provide written notice to the Parties of such termination and thereafter the Parties shall enter into a recordable termination agreement.

12. Amendment. The Parties hereto agree that this Agreement may not be amended, released or terminated without the prior written consent of the holder of any mortgage encumbering the property to be affected by such amendment and approval by the County.

13. Third Party Beneficiary. So long as any mortgage loan remains outstanding with respect to the Phase I Property or the Phase II Property, or any amounts are owed to the holder(s) of such mortgages, such holder(s) shall be deemed an intended third-party beneficiary hereof and entitled to enforce the provisions hereof.

14. No Partnership. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each Party shall be considered a separate owner, and no Party shall have the right to act as an agent for another Party, unless expressly authorized to do so in this Agreement.

15. Interpretation. No provision of this Agreement will be interpreted in favor of, or against, either of the Parties hereto by reason of the extent to which any such Party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute a single document.

17. Notices. All notices, demands, requests or other communications required or permitted to be given hereunder shall be deemed delivered and received upon actual receipt or refusal to receive same, and shall be made by United States certified or registered mail, return receipt requested, by nationally recognized overnight courier service such as Federal Express, or by hand delivery, and shall be addressed to the respective Parties at the addresses set forth in the preamble to this Agreement.

18. Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto relating in any manner to the subject matter of this Agreement. No prior agreement or understanding pertaining to same shall be valid or of any force or effect, and the covenants and

agreements herein contained cannot be altered, changed or supplemented except in writing and signed by the Parties hereto.

19. Severability. If any clause or provision of this Agreement is deemed illegal, invalid or unenforceable under present or future laws effective during the term hereof, then the validity of the remainder of this Agreement shall not be affected thereby and shall be legal, valid and enforceable.

20. Venue; Jurisdiction. This Agreement shall be governed and construed in all respects in accordance with the laws of the State of Florida, without regard to its conflicts of laws provisions. Further, all Parties hereto agree to avail themselves of and submit to the personal jurisdiction of the Courts of the State of Florida in Miami-Dade County.

SIGNATURES APPEAR ON FOLLOWING PAGES

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the date and year first set forth above.

Witnesses:

PHASE ONE OWNER:

STIRRUP PLAZA PRESERVATION PHASE ONE, LLC, a Florida limited liability company

By: Stirrup Plaza Phase One Manager, LLC, a Florida liability company, its managing member

_____

Print:_____

By:_____
Matthew Allen, Vice President

_____

Print:_____

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by Matthew Allen, as Vice President of Stirrup Plaza Phase One Manager, LLC, a Florida limited liability company, the managing member of Stirrup Plaza Preservation Phase One, LLC, a Florida limited liability company, on behalf of the companies.

Personally Known _____ OR Produced Identification _____

Type of Identification Produced:_____

_____
Print or Stamp Name: _____
Notary Public, State of Florida
Commission No.:_____
My Commission Expires:_____

PHASE TWO OWNER:

STIRRUP PLAZA PHASE TWO, LLC, a Florida limited liability company

By: Stirrup Plaza Phase Two Manager, LLC, a Florida liability company, its managing member

_____
Print:_____

By:_____
Matthew Allen, Vice President

_____
Print:_____

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by Matthew Allen, as Vice President of Stirrup Plaza Phase Two Manager, LLC, a Florida limited liability company, the managing member of Stirrup Plaza Phase Two, LLC, a Florida limited liability company, on behalf of the companies.

Personally Known _____ OR Produced Identification _____

Type of Identification Produced:_____

_____
Print or Stamp Name: _____
Notary Public, State of Florida
Commission No.:_____
My Commission Expires:_____

EXHIBIT C

CONSENT BY FEE OWNER

MIAMI-DADE COUNTY, a political subdivision of the State of Florida, as the owner of fee simple title to the Phase I Property and the Phase II Property, hereby consents to the foregoing Easement. Nothing herein shall be deemed to alter the terms of the Ground Lease Agreement dated as of December 5, 2011, as amended, between the Phase One Owner and the County and the Ground Lease Agreement dated as of _____, 2014 between the Phase Two Owner and the County.

Attest:
Harvey Ruvin, County Clerk

By:_____
Deputy Clerk

MIAMI-DADE COUNTY, a political subdivision of the State of Florida

By:_____
Russell Benford
Deputy Mayor

Approved for legal sufficiency:

By:_____
Terrence Smith
Assistant County Attorney

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014 by Russell Benford as Deputy Mayor of MIAMI-DADE COUNTY, a political subdivision of the State of Florida. He is personally known to me or has produced _____ as identification.

_____
Print or Stamp Name: _____
Notary Public, State of Florida at Large
Commission No.:
My Commission Expires:

EXHIBIT C

JOINDER BY MORTGAGEE
(1st Mortgagee)

The undersigned, holder of that certain Multifamily Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of December 1, 2012, and recorded in the Office of the Clerk of the Circuit Court, in and for the County of Miami-Dade, State of Florida, on January 15, 2013, in Official Records Book 28444, Page 2478, as modified by that certain Note and Mortgage Modification dated March 27, 2014, recorded March 27, 2014, in Official Records Book 29085, Page 3400, all of the Public Records of Miami-Dade County, joins in and consents to the foregoing Easement.

WITNESSES:

_____
Print Name:_____

_____
Print Name:_____

MORTGAGEE:

CITIBANK, N.A.

By:_____
Print Name:_____
Title:_____

STATE OF FLORIDA)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014 by _____, as _____ of CITIBANK, N.A. Such person is personally known to me (YES) (NO) or has produced _____ as identification.

_____
NOTARY PUBLIC

My commission expires:
[Print Name of Notary]

_____

#3748052 v3
30364-0957

JOINDER BY MORTGAGEE
(2nd Mortgagee)

The undersigned, holder of that certain Leasehold Mortgage and Security Agreement and Assignment of Leases, Rents and Profits dated December 27, 2012, and recorded in the Office of the Clerk of the Circuit Court, in and for the County of Miami-Dade, State of Florida, on January 15, 2013, in Official Records Book 28444, Page 2569 of the Public Records of Miami-Dade County, joins in and consents to the foregoing Easement.

WITNESSES:

MIAMI-DADE COUNTY, a political subdivision of the State of Florida

_____
Print Name: _____

By:_____
Name: RUSSELL BENFORD
Title: Deputy Mayor

_____
Print Name: _____

Approved as to form and
legal sufficiency:

By:_____
Name: Terrence A. Smith
Assistant County Attorney

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Russell Benford, as the Deputy Mayor of MIAMI-DADE COUNTY, a political subdivision of the State of Florida. He or she is personally known to me or has produced a driver's license as identification.

WITNESS my hand and official seal in the County and State last aforesaid this _____ day of _____, 2014.

_____
Print or Stamp Name: _____
Notary Public, State of Florida at Large
Commission No.:
My Commission Expires:

#3748052 v3
30364-0957

Exhibit "A"

PHASE I - LEGAL DESCRIPTION

That portion of Lots 1, 2, and Lot 3 LESS the West 20.00 feet thereof, E.W.F. STIRRUP SUBDIVISION, according to the Plat thereof as recorded in Plat Book 1, Page 12, of the Public Records of Miami-Dade County, Florida, and that portion of Lots 29 and 30, MUNDY'S ADDITION, according to the Plat thereof as recorded in Plat Book 15, Page 29, of the Public Records of Miami-Dade County, Florida, lying South of the Southeasterly Right of Way line of State Road No. 5 (U.S. Highway No. 1), as it now exist and Lots 4, 5, 6, and 7 of said, E.W.F. STIRRUP SUBDIVISION, LESS the West 20.00 feet thereof and the East 20.00 feet of Lots 8, 9, 10, and Lot 11 AND LESS the South 20 feet of said Lot 11, E.W.F. STIRRUP SUBDIVISION, and Lots 1, 2, 31, 32, 33, 34, 35, 36, 37, 38, 39, and 40, of said MUNDY'S ADDITION.

LESS AND EXCEPT the external area of a 25.00 feet radius curve on the Southeast corner of Lot 2 of said MUNDY'S ADDITION, concave to the Northwest and perpendicular to the East and South lines of said Lot 2, having a central angle of 90°51'14" and an arc distance of 39.64 feet.

LESS THE FOLLOWING DESCRIBED PORTION:

That portion of Lots 5, 6 and 7, that portion of Lots 8, 9 and 10, E.W.F. STIRRUP SUBDIVISION, according to the Plat thereof as recorded in Plat Book 1, Page 12, of the Public Records of Miami-Dade County, Florida, and that portion of Lots 1, 2, 34, 35, 36, 37, 38, 39 and 40, MUNDY'S ADDITION, according to the Plat thereof as recorded in Plat Book 15, Page 29, of the Public Records of Miami-Dade County, Florida, more particularly described as follows: Commence at the southeast corner of said Lot 2, MUNDY'S ADDITION; thence Northerly along the East line of said Lot 2, said line also being the West right of way line of Mundy Street a distance of 86.35 feet to the Point of Beginning; thence Westerly perpendicular to the previously described line 124.48 feet; thence Northerly along a line 16 feet west of and parallel to the West line of said Lot 1, MUNDY'S ADDITION, 121.56 feet; thence Westerly along a line 5 feet north of and parallel to the South line of said Lot 7, E.W.F. STIRRUP SUBDIVISION, 73.94 feet; thence Northerly perpendicular to the previously described line56.17 feet; thence Northeasterly along a line parallel to the Southeasterly Right of Way line of State Road No. 5 (U.S. Highway No. 1) 195.58 feet; thence Northerly along a line parallel to the East line of said Lot 35, MUNDY'S ADDITION, 62.81 feet; thence Easterly perpendicular to the previously described line 53.00 feet; thence Southerly along the East line of Lot 34 also being the West right of way line of Mundy Street a distance of 371.60 feet to the Point of Beginning.

Exhibit "B"

PHASE II - LEGAL DESCRIPTION

That portion of Lots 5, 6 and 7, that portion of Lots 8, 9 and 10, E.W.F. STIRRUP SUBDIVISION, according to the Plat thereof as recorded in Plat Book 1, Page 12, of the Public Records of Miami-Dade County, Florida, and that portion of Lots 1, 2, 34, 35, 36, 37, 38, 39 and 40, MUNDY'S ADDITION, according to the Plat thereof as recorded in Plat Book 15, Page 29, of the Public Records of Miami-Dade County, Florida, more particularly described as follows: Commence at the southeast corner of said Lot 2, MUNDY'S ADDITION; thence Northerly along the East line of said Lot 2, said line also being the West right of way line of Mundy Street a distance of 86.35 feet to the Point of Beginning; thence Westerly perpendicular to the previously described line 124.48 feet; thence Northerly along a line 16 feet west of and parallel to the West line of said Lot 1, MUNDY'S ADDITION, 121.56 feet; thence Westerly along a line 5 feet north of and parallel to the South line of said Lot 7, E.W.F. STIRRUP SUBDIVISION, 73.94 feet; thence Northerly perpendicular to the previously described line56.17 feet; thence Northeasterly along a line parallel to the Southeasterly Right of Way line of State Road No. 5 (U.S. Highway No. 1) 195.58 feet; thence Northerly along a line parallel to the East line of said Lot 35, MUNDY'S ADDITION, 62.81 feet; thence Easterly perpendicular to the previously described line 53.00 feet; thence Southerly along the East line of Lot 34 also being the West right of way line of Mundy Street a distance of 371.60 feet to the Point of Beginning. Containing 46,074.7 sq.ft. more or less.