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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 14(A)(2)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: May 15, 2012

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

SUBJECT: Resolution authorizing an amendment to the lease agreement with Carlisle Development Group, LLC. (Carlisle Group III, LTD.) for the redevelopment of the expanded Hope VI area, located at 2320 NW 62 Street, Miami, for the purpose of developing "The Anchorage" affordable housing project

Resolution No. R-445-12

The accompanying resolution was prepared by the Public Housing & Community Development Department and placed on the agenda at the request of Prime Sponsor Vice Chairwoman Audrey M. Edmonson.

R. A. Cuevas, Jr.
County Attorney

RAC/jls

Memorandum

MIAMI-DADE COUNTY

Date: May 15, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Lease Amendment for the Anchorage (NSP Expanded HOPE VI Area) located at 2320 N.W. 62 Street, Miami
Property # 30-3115-000-0070

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the attached resolution authorizing the County Mayor or the County Mayor's designee to negotiate an amendment to the Lease Agreement with Carlisle Development Group, LLC, which was subsequently assigned to Carlisle Group III, Ltd. (Carlisle), attached as Exhibit 1, for land located at 2320 N.W. 62 Street, Miami and authorize the County Mayor or County Mayor's designee to approve any changes that are necessary to expedite the expenditure of funds, including but not limited to adjusting the date for the Certificate of Occupancy and further authorizing the County Mayor or County Mayor's designee to amend the Neighborhood Stabilization Plan Funding (NSP) Agreement dated July 19, 2010 executed between the parties. The County Mayor or the County Mayor's designee is further authorized to approve substantial modifications to the project design in order to accommodate the changes set forth herein.

BACKGROUND

On November 20, 2008, the Board, through Resolution R-1151-08, approved, among other things, the County's NSP Plan that includes the "neighborhood redevelopment of multifamily rental housing development on the Expanded HOPE VI Area" in the amount of $5 million. Subsequent to Board approval of the NSP Plan, the County issued RFP No. 686 for this development and included this site. The sole proposer to RFP No. 686 was Carlisle Development Group, LLC. On July 29, 2010, the County entered into an Affordable Housing Funding Agreement with Carlisle Development Group, LLC (Funding Agreement).

PHCD staff has been working with Carlisle to ensure the affordable housing development meets the County's needs and the requirements of the funder, U.S. Department of Housing and Urban Development (HUD).

The original proposal from Carlisle was for the construction of 50 units. After a more in-depth investigation of the site, Carlisle determined that it was only large enough, based on current zoning, to accommodate 30 units. On November 15, 2011, the Board approved the lease between the County and Carlisle Carlisle Development Group, LLC, for use and development of the Project (Lease) and approved the reduction in units from 40 to 30. Following execution of the lease, the developer determined that construction costs for the Project far exceeded earlier estimates. Because of the high per unit building costs associated with a small project that must comply with Davis Bacon and other federal requirements, the developer has represented that it is only able to construct 22 units for the $5 million of NSP funds. Therefore, the developer has proposed phasing the project so that Phase 1 will consist of 22 units and Phase 2 will consist of 8 units. Together, Phase 1 and Phase 2 shall be referred to as the "Development" or the "Project".

Amendments to the Lease
It is recommended that the Lease be amended in the following manner, and that these changes, where applicable, additionally be incorporated by amendment into the Funding Agreement:

1. The lease currently requires completion of construction, certificate of occupancy and 51% leased occupancy of 30 units no later than March 9, 2013. This deadline will be amended to require Carlisle to expend the $5 million of Neighborhood Stabilization (NSP) funds no later than March 7, 2013 in order to meet the NSP program's expenditure deadline. In order to meet the March 7, 2013 expenditure deadline and to provide for the timely draw-down of NSP funds, LESSEE (Carlisle Development Group, LLC) shall submit a final draw request package to the County no later than February 21, 2013.

2. The Project will be bifurcated into phases to enable Carlisle to obtain financing needed to complete all 30 units. Phase 1 will consist of 22 units – four (4) two-bedroom and eighteen (18) one-bedroom residential units – which will be completed with temporary certificate of occupancy no later than June 7, 2013, with at least 16 units occupied by income-qualified persons no later than September 30, 2013. The $5 million of NSP funds will be expended developing Phase 1. Phase 2 will consist of 8 units – two (2) two-bedroom units and six (6) one-bedroom residential units – which will be completed with temporary certificate of occupancy and leased to income-qualified persons no later than December 31, 2016, subject to Carlisle obtaining financing needed to build Phase 2. The Lease, as amended, will allow Carlisle to sublease the portion of the Property upon which Phase 2 will be constructed to a related entity which will seek financing and will develop Phase 2.

3. All units – in Phase 1 and Phase 2 – shall be rented to households with incomes at or below 120 percent of area median income (AMI) with at least $2.5 million (50 percent) the NSP funds for this Project having a direct benefit to residents that are at or below 50 percent of AMI. Former qualified Scott/Carver residents will have a right of first refusal. In addition, the developer is working with local organizations to arrange for the units to be leased to youth aging out of foster care.

4. The Lease will be amended to describe the Property and Project in two phases. Phase 2 will be built after Phase 1 is completed and will be constructed over the surface parking lot built for the tenants of Phase 1. During construction of Phase 2, regardless of what developer is constructing Phase 2, Carlisle will find and pay for an alternative parking site for the tenants of Phase 1. In order to ensure that Phase 2 is built, Carlisle will defer taking any developer's fee on Phase 1 or Phase 2 until Phase 2 is completed. Carlisle will give the County the entire developer's fee for Phase 1 and any developer's fee for Phase 2, and the County will place said fees in escrow pending completion of Phase 2, which means temporary certificate of occupancy. The County will disburse from the escrowed fee(s) the amount equal to the federal income tax liability imposed on Carlisle or its affiliated developer by virtue of the developer fee(s) in escrow. Carlisle shall be required to provide the County with evidence of such tax liability acceptable to the County, which may be in the form of a written statement from a certified independent accountant as to the amount of liability and its relation to the developer fee. The Mayor or Mayor's designee may accomplish this by an assignment or collateral assignment of the developer's fee, putting the developer's fee in escrow, giving the County a letter of credit in the amount of the developer's fee, or other mechanism to accomplish the purpose set forth herein.

5. The default provisions of the Lease will be bifurcated in accordance with the new phasing of the project. In the event that Carlisle defaults on the requirements of the Lease, as amended, as to Phase 1, including but not limited to completion, expenditure and lease-up terms and deadlines, the LEASE shall terminate and all improvements made to the entire Property shall become the property of the County at no cost. In the event that Carlisle defaults on the requirements of the Lease, as amended,

as to Phase 2, including but not limited to completion, expenditure and lease-up terms and deadlines, then the following shall occur: (a) the Lease shall terminate as to the portion of the Property upon which Phase 2 was designed to be built and the surface parking lot will be re-leased to Carlisle for use by the tenants of Phase 1 and Phase 2, or, in the alternative, air and development rights to the portion of the Property upon which Phase 2 was designed to be built, including parking, will be granted from Carlisle to the County so that the County could complete Phase 2 with another developer; (b) Carlisle shall take no developer's fee for Phase 1 or Phase 2 and shall give any developer's fee(s) to the County to be held in escrow under the terms described in Section 4, above; (c) Carlisle shall assign to the County 100% of Net Cash Flow from Phase 1, with Net Cash Flow defined as the amount equal to all income generated by the Development, whether from tenant rentals, concessionaire rentals, parking revenues, advertising or any other incoming revenue, LESS all project expenses, including but not limited to operating expenses of the Development, management fees, debt service and fees payable to lenders, and amounts deposited in reserve accounts. Net Cash Flow shall be determined annually on a calendar year basis and shall be paid in arrears for the preceding calendar year (or portion thereof) on the first day of March, in the first full calendar year following issuance of the certificate of occupancy for the Development, and continuing annually in arrears on the one-year anniversary of such date thereafter, for the duration of the term of this Lease.

6. Article 4.1.2 of the Lease is hereby deleted and replaced as follows: "A surface parking lot that will include such number of spaces as is required pursuant to the Approved Plans, defined herein (the "Surface Parking Lot"). The Residential Units, plus any related amenities, together with other improvements, fixtures, and structures and the Surface Parking Lot are hereby referred to as the 'Development.'"

7. Article 17.1.2 of the Lease will be deleted and replaced as follows: "At least eight (8) Residential Units in Phase 1 are to be set aside for youth aging out of foster care, which units may be replaced by units in Phase 2. The LESSEE will work with a partner agency to identify these applicants."

8. Article 17.1.4 of the Lease is will be deleted and replaced as follows: "The above rentals will include services and amenities as required under Florida Finance Corporation's Multifamily Mortgage Revenue Bond program and the Housing Credit program administered by the Corporation in accordance with Section 42 of the Internal Revenue Code, including investors, syndicators, and compliance staff to each unit."

Amendments to the Funding Agreement

Ordinarily the County retains a portion of the contract funding contingent upon the project receiving a certificate of occupancy. In this case, the County needs the developer to expend the full $5 million of NSP funds by March 7, 2013, which may be before a certificate of occupancy is obtained. Therefore, it is recommended that the retainage requirement in the Funding Agreement be amended to allow the developer to expend the full $5 million of NSP funds by the March 7, 2013 expenditure deadline. The retainage shall be released to the developer if the Mayor or Mayor's designee determines it is in the best interest of the County to do so, which may depend upon PHCD documenting through its own inspections that construction of Phase 1 is complete and Carlisle giving the County a letter of credit in the amount of $500,000.

This LEASE is monitored by Internal Services Department (ISD) on behalf of the Public Housing and Community Development (PHCD) department.

PROPERTY:	2320 NW 62 Street, Miami Folio No. 30-3115-000-0170
COMMISSION DISTRICT:	3
COMM. DISTRICTS IMPACTED:	Countywide, as these units will be available to any income-eligible resident.
OWNER:	Miami-Dade County
USE:	Development of 30 affordable housing units in two phases.
LEASE TERM:	65 years and one day with no additional renewal option periods.
EFFECTIVE/COMMENCEMENT DATE:	The date the last of the Lessor (County) and Lessee (Carlisle) executes the amendment.
RENTAL RATE:	The rental rate will equal 90 percent of the monthly net cash flow generated by the development.
FISCAL IMPACT:	The Property Appraiser has placed a market value on this property in 2011 of $205,632. Based on the projections of the developer for both Phase 1 and Phase 2, the real estate taxes for the next 15 years (on the building only), increased at the rate of three percent per year, will generate $446,374. Discounted at 3.75 percent (the present 30 year US Treasury rate) the net present value of these taxes is $329,968. Additionally, the County is entitled to 90 percent of the project's net income as rent. Again, based on the developer's pro forma of net rent, the County's share for the next 30 years is $387,863. Discounted at 3.75 percent (30 year US Treasury Bonds interest rate) the net present value of this revenue stream is $304,341.
LEASE CONDITIONS:	The Lessee will be responsible for development of the site and on completion of construction will manage and maintain the property.
MONITOR:	Leland Salomon, Director, ISD Real Estate Development Division.
DELEGATED AUTHORITY:	The County Mayor or the County Mayor's designee is expressly authorized to agree, on behalf of the Lessor, to: a) any amendment to the Lease Agreement or Funding Agreement, which (i) reduces or increases the number of affordable housing units, (ii) reduces or increases the

number of parking spaces in accordance with any variance or determination granted by the applicable governmental authority, (iii) reduces or increases the square footage of the Residential Units structure, (iv) modifies the design of the Development in a manner which is consistent with the use of the premises as set forth the plans approved consistent with this resolution, or (v) modifies the schedule, as long as such modification does not extend the expenditure date for the NSP funds beyond March 7, 2013;

b) execute any consent to any sublease;
c) execute such easements or re-leases as provided for in the Lease or as set forth in this resolution; and
d) execute any documents acknowledging a leasehold mortgage on the property;
e) amend the Lease or Funding Agreement upon a determination by the Mayor or Mayor's designee that such amendment is in the best interest of the County and is necessary to complete the project or remain in compliance with the funding source rules and regulations.

Russell Benford
Deputy Mayor

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: May 15, 2012

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

SUBJECT: Agenda Item No. 14(A)(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 Manager'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. 14(A)(2)
5-15-12

RESOLUTION NO. R-445-12

RESOLUTION AUTHORIZING AN AMENDMENT TO THE LEASE AGREEMENT WITH CARLISLE DEVELOPMENT GROUP, LLC. (CARLISLE GROUP III, LTD.) FOR THE REDEVELOPMENT OF THE EXPANDED HOPE VI AREA, LOCATED AT 2320 NW 62 STREET, MIAMI, FOR THE PURPOSE OF DEVELOPING "THE ANCHORAGE" AFFORDABLE HOUSING PROJECT

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

WHEREAS, Miami-Dade County owns a parcel of land with the address 2320 NW 62 Street (folio number 30-3115-000-0070) in Miami, Florida (the "Property"); and

WHEREAS, the Board approved by Resolution R-1151-08, the Substantial Amendment to the FY 2008 Action Plan to carry out Neighborhood Stabilization Program activities, which included the "neighborhood redevelopment of multi-family rental housing on the Expanded Hope VI Area"; and

WHEREAS, Carlisle Development Group LLC was selected through RFP No. 686 as the developer for this affordable housing development under the Neighborhood Stabilization Program; and

WHEREAS, Carlisle Group III, Ltd. ("Carlisle"), a related entity of Carlisle Development Group LLC, was assigned the lease on February 1, 2012; and

WHEREAS, Carlisle seeks to apply for tax credit financing through the State of Florida to further finance the development; and

WHEREAS, Carlisle has committed to develop 30 units in two phases all of which will be rented to households with incomes at or below one hundred and twenty percent (120%) of Area Median Income (AMI) with at least two million five hundred thousand dollars ($2,500,000) of the NSP funds for this project having a direct benefit to residents that are at or below fifty percent (50%) of AMI with all the units to be leased or provided to persons qualifying under the Neighborhood Stabilization Program (NSP) guidelines, including former qualified Scott/Carver residents who will have a right of first refusal; and

WHEREAS, the Board adopted Resolution No. R-1023-11 authorizing execution of the lease agreement between Carlisle Development Group and the County, and

WHEREAS, increased costs have caused the project to be completed in phases, with 22 units to be completed with the $5 million and the remaining eight units to be completed by funds to be identified by the developer,

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

Section 1. The Board ratifies and adopts the matters set forth in the foregoing recitals.

Section 2. The Board authorizes the Mayor or the Mayor's designee to negotiate and execute an amendment to the Lease Agreement between Miami-Dade County and Carlisle Development Group, LLC., as assigned to Carlisle Group III, Ltd. ("Carlisle"), for the Property to be developed by Carlisle as affordable housing, with the use of Neighborhood Stabilization Program funds, substantially as described in the memorandum attached hereto and made a part hereof.

Section 3. The Board authorizes the Mayor or the Mayor's designee to execute agreements, amendments, closing documents, subordination agreements and other agreements as necessary to fulfill the purposes set forth in this resolution and to exercise any and all rights, remedies and powers conferred therein. The Mayor or the Mayor's designee is further authorized to further amend the Lease or the Neighborhood Stabilization Plan (NSP) Funding Agreement dated July 19, 2010 executed between Carlisle Development Group, LLC and the County upon a determination by the Mayor or Mayor's designee that such amendments are in the best interest of the County and are necessary to complete the project or remain in compliance with all applicable laws and rules, including the funding source rules and regulations.

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

Joe A. Martinez, Chairman	**aye**		
Audrey M. Edmonson, Vice Chairwoman	**aye**		
Bruno A. Barreiro	**aye**	Lynda Bell	**aye**
Esteban L. Bovo, Jr.	**aye**	Jose "Pepe" Diaz	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Jean Monestime	**aye**	Dennis C. Moss	**aye**
Rebeca Sosa	**aye**	Sen. Javier D. Souto	**aye**
Xavier L. Suarez	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 15th day of May, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

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

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.

By: Christopher Agrippa
Deputy Clerk

Brenda Kuhns Neuman

GROUND LEASE AND DEVELOPMENT AGREEMENT

THIS GROUND LEASE AND DEVELOPMENT AGREEMENT (this "LEASE") made as of the _____ day of _____, 2011, is by and between **MIAMI-DADE COUNTY**, a political subdivision of the State of Florida, through its Public Housing and Community Development Department, herein sometimes designated or referred to as the "COUNTY" or "PHCD" or "LESSOR" and Carlisle Development Group LLC, a Florida limited liability company, hereinafter called the "LESSEE." Collectively, LESSOR and LESSEE shall be referred to as the "PARTIES."

ARTICLE I
RECITALS:

1.1. WHEREAS, the COUNTY owns approximately 0.59 acres of land at 2320 NW 62ND Street, Miami, Miami-Dade County, Florida as further described below; and

1.2. WHEREAS the LESSEE desires to lease such property from the COUNTY, to develop an affordable multi-family residential housing complex; and

1.3. WHEREAS, said property is capable of being utilized for the construction of an affordable multi-family housing structure and related parking facilities; and

1.4. WHEREAS, the LESSOR, having the legal authority to do so, has authorized the lease of said property and the construction of the development; and

1.5. WHEREAS, the Parties executed the Neighborhood Stabilization Program (NSP) Expanded HOPE VI Project Affordable Housing Funding Agreement Between Miami-Dade County and Carlisle Development Group, LLC ("the Funding Agreement") on July 29, 2010;

1.6. NOW, THEREFORE, in consideration of these presents, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LESSOR and LESSEE hereby enter into this LEASE on the terms and conditions set forth herein.

1.7. The above recitals are true and do hereby constitute a part of this LEASE.

ARTICLE II
PREMISES TO BE LEASED

2.1. The LESSOR, for and in consideration of the restrictions and covenants herein contained and pursuant to Miami-Dade County Request for Proposals (RFP) 686, hereby leases to the LESSEE, and the LESSEE hereby agrees to lease from the LESSOR all of the property located at 2320 NW 62ND Street, Miami, Miami-Dade County, Florida, which is legally described in EXHIBIT "A", attached hereto and incorporated herein by reference (the "DEMISED PREMISES").

ARTICLE III
TERM OF LEASE

3.1. The term of this LEASE shall become effective upon the date the last of the LESSOR and LESSEE executes this Lease (the "Effective Date"). LESSEE shall take no action to change the physical nature of or otherwise commence any substantial construction upon the DEMISED PREMISES until the Commencement Date, as defined below. The term of the lease shall expire sixty-five (65) years and one (1) day after the Commencement Date (the "Term of the Lease"), unless this Lease is terminated earlier pursuant to the provisions contained herein. The "Commencement Date" shall be the Effective Date. The Term of this LEASE may only be extended, as allowed by the terms of this LEASE.

ARTICLE IV
CONDITION AND USE OF DEMISED PREMISES

4.1. As of the Effective Date of this LEASE, the DEMISED PREMISES consists of land only. LESSEE has inspected the subject property and accepts the property in its "AS IS" condition as of the Effective Date of this LEASE. LESSOR makes no warranty as to soil and subsurface conditions. LESSEE will perform or cause to be performed all test borings and subsurface engineering generally required at the site under sound and prudent engineering practices, and will correlate the results of the test borings and subsurface engineering and other available studies and its observations with the requirements of constructing the Development. LESSEE agrees to use the DEMISED PREMISES for the express purpose of constructing its project, as follows:

4.1.1. Approximately thirty (30) affordable residential housing units: (six (6) two bedroom and twenty-four (24) one bedroom) (the "Residential Units"), all of which shall be rented to households with incomes at or below one hundred and twenty percent (120%) of Area Median Income (AMI) with at least two million, five hundred thousand ($2,500,000) of the NSP funds for this project having a direct benefit to residents that are at or below fifty percent (50%) of AMI together with common areas and amenities appurtenant thereto, to be leased or provided to persons qualifying under the Neighborhood Stabilization Program (NSP) guidelines, including former qualified Scott/Carver residents having a right of first refusal, and

4.1.2. A parking structure that will include such number of spaces as is required pursuant to the Approved Plans, defined herein (the "Parking Structure"). The Residential Units, plus any related amenities, together with other improvements, fixtures and structures and the Parking Structure, are hereinafter referred to as the "Development."

4.2. NO NSP FUNDING OTHER THAN FIVE MILLION DOLLARS ($5,000,000) WILL BE PROVIDED BY THE COUNTY THROUGH THE NSP PROGRAM.

4.3. No material changes in the use described above are permitted without the express prior written approval of the LESSOR.

4.4. The Residential Units will be constructed on the DEMISED PREMISES in accordance with the general timeline as set forth in EXHIBIT "C", which is attached hereto and incorporated herein by reference.

4.5. LESSEE, in its use of the DEMISED PREMISES, shall comply with all applicable laws and regulations regarding waste and hazardous materials. In that regard, LESSEE shall not do or suffer to be done in, on or upon the DEMISED PREMISES or as may affect the DEMISED PREMISES, any act which may result in damage or depreciation of value to the DEMISED PREMISES or any part thereof due to the release of waste or hazardous materials on the DEMISED PREMISES.

4.6. Notwithstanding the foregoing, the LESSEE agrees that if, for any reason, it cannot complete and occupy at least 51% of the contemplated thirty (30) unit Development by March 9, 2013, subject to Force Majeure, then this Lease shall terminate and all improvements built on the land shall immediately become the property of the County at no cost.

ARTICLE V
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

5.1. Pursuant to Resolution R-1151-08, Miami-Dade County submitted a Neighborhood Stabilization Program (NSP) Substantial Amendment to its 2008 Action Plan previously submitted to U.S. Department of Housing and Urban Development (US HUD), which describes the proposed use of NSP funds in Miami-Dade County (the County) consistent with the Housing and Economic Recovery Act (Act) and NSP Notice. US HUD approved the NSP Substantial Amendment on January 12, 2009.

Title III of the Housing and Economic Recovery Act of 2008 (Act) established the NSP and authorized the appropriation of $3.92 billion to assist state and local governments with the redevelopment of abandoned and foreclosed homes in an effort to stabilize communities.

Miami-Dade County has been allocated $62,207,200 in HUD Neighborhood Stabilization Program funds. Pursuant to the County's NSP Substantial Amendment and Implementing Order 2-11, the NSP funding will be utilized for the following eligible activities:

> "NSP funds under this activity will be directed toward the Expanded HOPE VI area, which is located in an area of greatest need in the Liberty City/Model City area and will produce 40 rental units for households at or below 120% of area median income. NSP funds in the amount of $5 million will be used within the expanded HOPE VI footprint to develop approximately 40 units of multi-family housing, such as but not limited to youth transitioning out of the state foster care system."

5.2. LESSEE intends to build the Development with, among other sources, five million dollars ($5,000,000) (the "NSP Funds") to be provided by the LESSOR in the form and under the terms and conditions provided for in the attached Neighborhood Stabilization Plan ("NSP") Funding Agreement (Exhibit B). The NSP Funds shall be disbursed to LESSEE in increments as construction proceeds, commensurate with the percentage of completion of the Development and on a pari passu basis when combined with all other funds available for each aspect of construction of the Development.

5.3 LESSEE understands that NSP funds are Federal funds and thus the LESSEE is subject to the Rules Regulations and Licensing Requirements found in Section 1.8 of the RFP No. 686. LESSEE agrees that a default in any of these rules and regulations which continues beyond applicable cure periods is a default under this Lease.

ARTICLE VI
RENT LEASE PAYMENTS

6.1. The annual base rent shall be equal to ninety percent (90%) of the net cash flow generated by the Development (the "Base Rent"). As used herein, "net cash flow" shall be the amount equal to all income generated by the Development, whether from tenant rentals, concessionaire rentals, parking revenues, advertising or any other incoming revenue, LESS all project expenses, including but not limited to operating expenses of the Development, management fees, developer fees, debt service and fees payable to lenders, and amounts deposited in reserve accounts. Net cash flow shall be determined annually on a calendar year basis, and Base Rent shall be paid in arrears for the preceding calendar year (or portion thereof) on the first day of March, in the first full calendar year following issuance of the certificate of occupancy for the Development, and continuing annually in arrears on the one-year anniversary of such date thereafter, for the duration of the term of this Lease. The Base Rent will be paid at the address specified for LESSOR or such other address as LESSOR may direct from time to time by written notice.

ARTICLE VII
UTILITIES, INFRASTRUCTURE, TAXES AND ASSESSMENTS

7.1. All utilities shall be placed in the name of the LESSEE, and the cost of all utilities, including the cost of any infrastructure installed in connection with any utilities pertaining to the DEMISED PREMISES, shall be paid by the LESSEE. LESSEE shall also install or cause to be installed, at its sole cost or expense, all necessary connections between the buildings constructed by it on the Demised Premises, and the water, sanitary and storm drain mains and mechanical and electrical conduits and other utilities, whether or not owned by LESSOR. LESSOR hereby grants to LESSEE the non-exclusive right to construct utility infrastructure and connection and to tie-in to existing infrastructure and utility connections serving the Demised Premises, as may be set forth in the Approved Plans. LESSEE shall pay the cost of all utilities provided to the DEMISED PREMISES.

7.2. The LESSEE shall have the obligation to pay all taxes and assessments levied upon or relative to the DEMISED PREMISES incurred subsequent to the Commencement Date, unless LESSEE is granted an exemption therefrom by appropriate government bodies. LESSEE's obligation to make any payments pursuant to this paragraph shall survive the expiration or early termination of this LEASE. Notwithstanding anything set forth in this Article VII to the contrary, LESSEE shall only be liable for the taxes and assessments levied against, upon or relative to the DEMISED PREMISES arising, accruing or assessed during the Term of this LEASE.

7.3. Any off-site improvements required to be performed, paid for or contributed to as a result of the construction of the Development shall be paid for by the LESSEE or third-parties other than the LESSOR.

ARTICLE VIII
MAINTENANCE

8.1. The LESSEE agrees to provide, at its sole cost and expense, all maintenance and repairs for the DEMISED PREMISES and the Development to be constructed thereon, both exterior and interior, required to keep the DEMISED PREMISES in a state of good repair, and in a safe and clean condition at all times, including but not limited to, the following (collectively the "Maintenance Expenses"):

A. Janitorial and custodial services
B. All construction or rehabilitation sites
C. Maintenance of all operating equipment
D. Maintenance of all plumbing and electrical lines and equipment
E. Maintenance of all central air-conditioning and heating system equipment
F. All utilities, including sewer system
G. All exterior maintenance and repairs, including roof repairs
H. Landscaping and lawn maintenance
I. The removal of litter, trash and refuse
J. Maintenance of parking areas and structures
K. Maintenance of structures free of termites or any termite activity
L. Maintenance of elevator(s).

8.2. If the LESSEE fails to maintain the DEMISED PREMISES and effect repairs, the LESSOR shall notify the LESSEE of the deficiency and LESSEE shall have a period of thirty (30) days to effect the repair; provided, however, if the repair cannot be effected within thirty (30) days, and the deficiency is not posing a threat to the safety or security of persons or property, LESSEE shall have such additional time as may be necessary to effect the cure, so long as it is commenced within said thirty (30) day time period and is diligently prosecuted. Failure of LESSOR to notify Lessee of the deficiency shall not relieve LESSEE of LESSEE's obligation to affect such repairs or maintain the DEMISED PREMISES. If the LESSEE fails to effect the cure of the deficiency as provided herein, LESSOR may, at its election, do so, and if LESSOR effects the repair, the LESSEE is responsible for payment for such repairs within thirty (30) days of presentation of an invoice. Failure to effect repairs as provided herein or promptly reimburse LESSOR shall constitute an event of default under this LEASE.

ARTICLE IX
CONSTRUCTION

9.1. It is hereby agreed that the DEMISED PREMISES shall be left in its natural state insofar as possible and that said lands shall be utilized only for the purposes as are outlined above. However, the LESSEE, at its own expense, shall make such improvements, as provided herein, upon said land as shall be reasonably necessary to place the DEMISED PREMISES in such state or condition that they may be used for the purposes for which this LEASE is made and entered into. Such improvements are to be at the sole cost and expense of the LESSEE. All phases of construction required pursuant to this LEASE shall be completed by March, 2013 unless a later date is approved in writing by the County Mayor or his designee.

9.2. Development Plans.

9.2.1. PHCD Approval of Plans. In addition to the County's normal plan approval process, (a) no clearing or excavation of any portion of the DEMISED PREMISES shall be commenced and (b) no building, wall, structure or other improvement constituting the Development shall be commenced, erected or placed on any portion of the DEMISED

PREMISES, until the Plans (as defined below) for the Development have been approved in writing by the Public Housing and Community Development ("PHCD") as more particularly set forth in this Section 9.2. PHCD may at any time, and in PHCD's sole and absolute discretion, designate a different department or office to perform the functions under this section and shall give LESSEE notice of such change. Each building, wall, structure or other improvement constituting the Development shall be constructed by the LESSEE in substantial accordance with the Plans, all as approved by PHCD, in accordance with this Section 9.2 (the "Approved Plans"). The term "Plans" as used in this LEASE shall mean plans, drawings and outline specifications providing details as to: (i) the volume of all improvements to be constructed (including, without limitation, the height, setbacks, projecting elements, entries and access ways of all such improvements); (ii) roof-level design, (iii) elevations and facades of all improvements (including elements such as windows, spacing and size of fenestrations, balconies, canopies, cornices, moldings and ornamentation lines and exterior details); and (iv) exterior finishing materials, lighting plans and architectural treatment of machinery and equipment visible from the exterior of the Development. The Plans shall be substantially consistent with the LESSEE'S Proposal for the Leasehold, which was submitted in response to RFP 686, procured in accordance with Florida Statutes, the Miami-Dade County Code and the NSP Regulations (as defined in the Funding Agreement), and was the inducement for the selection of the LESSEE. PHCD shall not unreasonably withhold or delay its approval of the Plans. Under this Section 9.2, PHCD shall not be liable to the LESSEE or any third party as a result of its approval of any Plans; and the LESSEE shall indemnify and hold harmless PHCD, its officers, employees and agents from any and all claims arising out of or relating to PHCD's approval of the Plans.

9.2.2. Plan Approval Process. PHCD shall have a period of thirty (30) days after receipt of two (2) counterpart copies of the Plans to advise the LESSEE in writing of its approval or disapproval of the same. PHCD shall notify the LESSEE on or before the thirtieth (30th) day following receipt of the Plans of any disapproval of said Plans together with the specific reasons therefore and the steps necessary to correct the same. In the event of a disapproval of which the LESSEE is duly notified, the LESSEE shall, within thirty (30) days after the date it receives the notice of such disapproval, resubmit such Plans to PHCD altered to meet the grounds of disapproval. Any resubmission shall be subject to review and approval by PHCD pursuant to the Plan Approval Process (as defined below), until the same shall be finally approved by PHCD, provided, however, after resubmission of the Plans to PHCD, PHCD shall have a period of fifteen (15) days after receipt of the Plans to advise the LESSEE in writing of its approval or disapproval of the same. After approval of any particular Plans by PHCD, the approval as to those Plans may not be subsequently withdrawn or rejected (the preceding approval process is defined herein as the "Plan Approval Process"). No approvals by PHCD of any Plans pursuant to this Section 9.2.2 shall release the LESSEE of any obligation it may have at law to file the Plans with any appropriate department of the COUNTY or any other governmental authority having jurisdiction thereover, or to obtain any building or other permit or approval required by law, regulation or ordinance. All Plans as finally approved by PHCD shall be initialed by an authorized representative of PHCD and the LESSEE, and shall be and are incorporated into this LEASE by this reference, and such Plans shall be deemed conclusive evidence that PHCD has accepted such Plans as being in conformity with the requirements of this LEASE.

9.2.2.1 Construction Plans. Prior to the commencement of construction of the Development, the LESSEE shall submit to the LESSOR final detailed working plans and specifications, including, without limitation, foundation, structural, electrical and mechanical drawings and specifications as required by COUNTY Code. The final plans shall not be subject to the Plan Approval Process described above and are submitted as a courtesy to the LESSOR.

9.2.3. Notice of Commencement. LESSEE shall promptly provide a copy of the recorded Notice of Commencement to COUNTY.

9.2.4. Changes to Plans. The LESSEE shall not materially change or modify the Approved Plans without PHCD's prior written consent, which shall not be unreasonably withheld or delayed provided that the change is consistent with the approved Plans. Any such requested modification of the Approved Plans shall be submitted to PHCD for review in accordance with the Plan Approval Process, provided, however, that the time period for review shall be fifteen (15) days. The LESSOR agrees that it shall cause PHCD to approve any change which is in fact in substantial accordance with the approved Plans.

9.2.5. Conformity of Plans. All work by the LESSEE with respect to the Development shall be in substantial accordance with the Approved Plans, this LEASE and applicable governmental permits, laws, codes, ordinances and regulations.

9.2.6. Construction Contract(s). The LESSEE shall engage a general contractor having experience commensurate with the size and scope of the Development and the financial ability to perform their obligations to complete the Development. The LESSEE shall provide the COUNTY with a copy of the proposed construction contract for review. The COUNTY shall have the right to review the construction contract only to determine that the contract: (i) is fully one hundred percent (100%) bonded as to both payment and performance, naming the COUNTY as an additional obligee; (ii) is with a general contractor meeting the requirements of this Section 9.2.6; (iii) contains a definition of "completion" or "substantial completion" which is the same or more stringent than the definition of Substantial Completion set forth in Section 9.2.9 below; (iv) requires construction of the Development in substantial accordance with the Approved Plans: (v) requires completion of the Development by March 9, 2013 (vi) includes usual and customary liquidated damage clauses or incentives for timely completion: and (vii) includes a provision that neither the contractor thereunder, nor any subcontractor, shall lien the COUNTY's fee simple interest in that portion of the Demised Premises that is the subject matter of the contract; was procured in accordance with Florida Statutes, the Miami-Dade County Code, and the NSP Regulations (as defined in the Funding Agreement). If the COUNTY reasonably determines that the construction contract is not in accordance with the foregoing, then the COUNTY shall give notice of such to the LESSEE together with a written list of provisions in the construction contract which it determines do not comply with clauses (i) through (vii) above, and accordingly require modification, within thirty (30) days of submission to the COUNTY.

9.2.6.1 The LESSEE shall cooperate with the Miami-Dade County Department of Small Business Development ("SBD") to identify and establish appropriate Community Small Business Enterprise ("CSBE") measures including goals and local workforce goals under the Community Workforce Program Provisions ("CWP") for the construction trade and labor work associated with the construction when applicable.

9.2.6.2 LESSEE and the general contractor(s) retained hereunder shall use reasonable efforts to comply with all CSBE subcontractor and local workforce goals established by SBD and use reasonable efforts to comply with all other requirements of CSBE participation provisions and Community Workforce Program Provisions when applicable.

9.2.6.3 Any general contractor retained hereunder shall, and shall require all subcontractors to (i) use reasonable efforts to comply with all periodic monitoring and other compliance documentation required by SBD in connection with the CSBE Participation

provisions, the CWP and the Responsible Wages ordinance; (ii) grant to SBD all rights of access to records of the general contractor and subcontractors for monitoring and compliance with the foregoing; and (iii) comply with all enforcement actions and pay any sanctions imposed by SBD for failure to use reasonable efforts to comply with the foregoing as applicable. The foregoing requirements shall be included in the general contractor's construction contract and subcontractor bid package and subcontract when applicable.

9.2.6.4 Any general contractor retained hereunder shall have an affirmative action plan filed with and approved by the SBD which plan shall be in accordance with Miami-Dade County Ordinance No. 82-37 and shall be in effect for the entire term of its construction contract with the LESSEE.

9.2.7. COUNTY's Inspection. The LESSEE shall be responsible for inspecting the construction and work being performed by the general contractor to determine if said construction and work are being performed in substantial accordance with the Approved Plans. Monthly reports of their inspections shall be included within the Progress Reports (as defined below). The COUNTY shall have the right to inspect the Development from time to time to verify the LESSEE's reports. The LESSEE shall cooperate (and shall cause their general contractor(s) and any other contractors, subcontractors, employees and agents to cooperate) fully with all such inspections and examinations. In making the foregoing inspections, the COUNTY will take care so as not to interfere with the progress of construction of the Development.

9.2.8. Acknowledgement of Final Completion. Upon the "Substantial Completion" (as defined below) of the Development on any portion of the Demised Premises, the COUNTY shall furnish the LESSEE with an instrument acknowledging the completion of the Development and evidencing the COUNTY's acceptance of the Development (the "Acknowledgement of Final Completion"). For the purposes hereof, "Substantial Completion" or "Substantially Completed" shall mean such time as: (i) the Development has been completed in substantial accordance with the Approved Plans, except only for minor punch list items of detail and decoration; (ii) a temporary certificate of occupancy or unconditional certificate of occupancy (if required or applicable) has been issued by the appropriate governmental agency with respect to the Development; and (iii) the COUNTY has received a signed and sealed professional certification from an architectural or engineering firm reasonably acceptable to the COUNTY that the Development is completed in substantial accordance with the Approved Plans, except only for minor punch list items of detail and decoration. The Acknowledgement of Final Completion shall only be issued upon a determination by the COUNTY (which shall not be unreasonably withheld, delayed or conditioned) that the Development have been Substantially Completed, and upon COUNTY's receipt from the LESSEE of the following:

9.2.8.1 two (2) sets of as-built final Plans for the Development; and

9.2.8.2 a final affidavit and release of lien from the LESSEE's general contractor attesting to the receipt and payment of all obligations relating to construction and development of the Development and final releases of lien by all lienors, subject to final payment by the LESSEE under this Section 9.2.9.

9.2.8.3 If the COUNTY reasonably determines not to issue the Acknowledgement of Final Completion in accordance herewith, the COUNTY shall, within thirty (30) days after written request from the LESSEE, provide the LESSEE with a written statement indicating in what respects the LESSEE have failed to Substantially Complete the Development,

and what measures and acts, the COUNTY reasonably believes are necessary for the LESSEE to take or perform in order to obtain such Acknowledgement of Final Completion pursuant to this Section 9.2.9. The issuance of the Acknowledgement of Final Completion shall be conclusive evidence of the full compliance by the LESSEE of all requirements of this LEASE as to the Development. After issuance of an Acknowledgement of Final Completion, such acknowledgement may not be revoked by the COUNTY.

9.2.9. Commencement and Progress of Construction. Subject to "Force Majeure" (as defined below) and the satisfaction of the conditions precedent set forth in this Lease, the LESSEE shall commence construction of the Development following the closing of its construction financing and tax credit syndication, and at all times thereafter proceed diligently to Substantial Completion in substantial accordance with Exhibit B, subject to Force Majeure. The LESSEE shall keep the COUNTY advised of the progress of the Development through monthly progress reports (the "Progress Reports") in form and substance reasonably agreed to by the COUNTY and the LESSEE, delivered to the COUNTY on or before the fifteenth (15th) of each month containing information for the immediately preceding month. In the scheduling of construction work on the Project Site, the LESSEE shall take reasonable steps to minimize interference with the normal traffic flow and operations of the County facilities, in and around the Project Site in a system and manner reasonably acceptable to the COUNTY. The LESSEE shall perform all work in a good and professional manner and consistent with and substantially in accordance with the Approved Plans.

9.2.10. Compliance with Laws. The Development will be constructed by the LESSEE in accordance with applicable statutes, laws, ordinances, rules, regulations, and orders, including, without limitation, those regarding the storage, use, removal, disposal, handling and transportation of Hazardous Substances (as defined below), provided that nothing herein shall limit the right of the LESSEE or contractor to contest the validity or enforceability of any such statute, law, ordinance, rule, regulation, or order with which the LESSEE may be required to comply. As used herein, the term "Hazardous Substances" mean any flammable explosives, radioactive materials, friable asbestos, electrical transformers, batteries and any paints, solvents, chemicals, or petroleum products, as well as any substance or material defined or designated as a hazardous or toxic waste material or substance, or other similar term by any federal, state, municipal or local environmental statute, regulation or ordinance presently or hereinafter in effect, as such statute, regulation or ordinance may be amended from time to time.

9.2.11. Section 3 of the HUD Act of 1968. In addition to the above, because this is at least a partially Federally funded project, the Lessee must comply with all the Rules; Regulations and Licensing Requirements of Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations in 24 Code of Federal Regulations (CFR) Part 135, as amended by interim rule published on June 30, 1994 (59FR33866). (See Exhibit B attached).

9.2.15 Davis-Bacon Act. LESSEE shall (a) comply with the Davis-Bacon Act; Copeland Anti-Kick Back Act; Contract Work Hours and Safety Standards Act; and Lead-Based Paint Poisoning Prevention Act as amended on September 15, 1999; and other related acts, as applicable; and (b) submit to HCD for written approval all proposed Solicitation Notices, Invitations for Bids, and Requests for Proposals prior to publication.

9.2.16 Force Majeure. "Force Majeure" shall be defined as any event or condition beyond the control of LESSEE or the COUNTY, including, without limitation, strikes,

labor disputes, acts of God (expressly including, but not limited to, tropical storms, hurricanes, earthquakes, and tsunamis), the elements, governmental restrictions, regulations or controls, enemy action, acts of terrorism, wars, riots, major upheaval, civil commotion, fire, casualty, or accidents, which causes delay.

ARTICLE X
CONSTRUCTION RELATED LIENS

10.1. All persons, firms or corporations dealing with the LESSEE, if any, in respect to the furnishing of any labor, services or materials for any Development, are hereby placed on notice that no liens of any nature or character shall be imposed upon or enforced against LESSOR'S fee interest in the DEMISED PREMISES or Development, but the leasehold interest of the LESSEE in the DEMISED PREMISES only shall be relief for payment of the cost of such Development. The LESSEE shall include language to the effect of the foregoing sentence in all its agreements, if any.

10.2. The LESSOR shall have no liability or obligation to the LESSEE's contractors, subcontractors, and materialmen performing work on or supplying materials for construction of the Development. The LESSEE warrants that no construction liens will be placed against the LESSOR's fee interest in the DEMISED PREMISES. Construction liens placed against the Development shall be transferred to bond or released within sixty (60) days following the recording thereof. The LESSEE shall immediately pay any and all judgment decrees rendered against the LESSEE, following the conclusion of such legal processes (including all available appeals), with all proper costs and charges, and shall cause any such liens to be released of record without cost to the LESSOR.

ARTICLE XI
TITLE TO DEVELOPMENT

11.1. Prior to the expiration, termination, or cancellation of this LEASE, title to the Development and all assets and personal property incorporated into the Development shall be vested in the LESSEE. However, the LESSEE agrees that it will not resell, lease, mortgage, encumber or otherwise dispose of any part of the Development except in accordance with this LEASE. Upon expiration, termination, or cancellation of this LEASE, title to the Development and all assets and personal property incorporated into the Development, other than personality which is not permanently affixed to the DEMISED PREMISES, shall thereafter be vested in the LESSOR without payment by the LESSOR to the LESSEE.

11.2. Notwithstanding anything contained herein to the contrary, any provision in this Article restricting or prohibiting the sale, leasing, or encumbrance of the Demised Premises (including the Development) shall not prohibit LESSEE from: (i) entering into the Leasehold Mortgages authorized by this LEASE (and any associated regulatory agreements or other restrictive covenants required by such Leasehold Mortgages), (ii) leasing the Residential Units, or (iii) entering into any extended low income housing agreement as may be required by the Florida Housing Finance Corporation in connection with the award of tax credits for the construction of the Development.

ARTICLE XII
DESTRUCTION OF PREMISES; CONDEMNATION

12.1. LESSEE shall give prompt written notice to LESSOR after the occurrence of any fire, earthquake, act of God or other casualty to the Development or any portion thereof. Subject to Section 12.2 below, if during the Term, less than fifty percent (50%) of the value of the Development is damaged or destroyed by casualty, LESSEE shall repair or restore the Development, so long as it is lawful to do so and there are adequate insurance proceeds available to LESSEE for that purpose. In the event that fifty percent (50%) or more of the value of the Development is damaged or destroyed, and LESSEE shall determine that it is not economically practical to restore the Development to substantially the same condition in which it existed prior to the occurrence of such casualty, then LESSEE may, at its election, terminate this LEASE as of a date that is not less than thirty (30) days after the date of such notice. If LESSEE terminates this Lease pursuant to this Section, LESSEE shall surrender possession of the DEMISED PREMISES to LESSOR upon termination and assign to LESSOR all of its right, title and interest in and to the proceeds from LESSEE's insurance and the proceeds of any insurance shall be disbursed as provided in Section 12.2 below.

12.2. In the event that this LEASE is terminated pursuant to Section 12.1 above, the insurance proceeds received as the result of such casualty shall be distributed as follows: (a) first, to the holders of the Leasehold Mortgages in their order of priority to the extent of any indebtedness then owed to the Leasehold Mortgagees, (b) second, LESSOR shall be paid an amount sufficient to remove any improvements not repaired and to return the DEMISED PREMISES to the level of the adjacent streets, (c) third, LESSEE shall be paid an amount equal to the then unamortized costs of construction of the Development (including any alterations or modifications thereto) and (d) the balance, if any, of such insurance proceeds shall be assigned or paid over to LESSOR.

12.3. If, by exercise of the right of eminent domain or by conveyance made in response to the threat of the exercise of such right (in either case a "Taking"), all of the DEMISED PREMISES are taken, or if so much of the DEMISED PREMISES are taken that the DEMISED PREMISES cannot reasonably be used by LESSEE for the purposes for which they were used immediately before the Taking, then this LEASE shall, subject to the requirements of the Leasehold Mortgages, at LESSEE's sole option, terminate on the earlier of the vesting of title to the DEMISED PREMISES in the condemning authority, or the taking of possession of the DEMISED PREMISES by the condemning authority; LESSEE may not elect to terminate this LEASE without the prior written consent of all Leasehold Mortgagees and Investor Limited Partner, as defined below.

12.3.1. LESSOR and LESSEE agree that, in the event of a Taking that does not result in the termination of this LEASE pursuant to this Article, this LEASE shall continue in effect as to the remainder of the DEMISED PREMISES, and the net amounts owed or paid to the Parties or to which either of the Parties may be or become entitled by reason of any Taking or pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Taking, less any reasonable, unreimbursed costs and expenses incurred by the Parties in collecting such award or payment (the "Net Condemnation Award"), will be disbursed under applicable laws and regulations, and to the extent permitted by the foregoing, in accordance with subsection 12.3.3 below to LESSEE and/or any Leasehold Mortgagees, if the terms of the Leasehold Mortgage so require. Such Net Condemnation Award shall be used so as to make the Demised Premises and Development, including any necessary construction, complete, unified and efficient, as nearly as reasonably possible to the condition existing prior to the Taking, subject to any applicable requirements of any Leasehold Mortgage.

12.3.2 If there shall be a temporary Taking with respect to all or any part of the DEMISED PREMISES or of LESSEE's interest in this LEASE, then the term shall not be reduced and LESSEE shall continue to pay in full all rents, impositions and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that LESSEE shall not be required to perform such obligations that LESSEE is prevented from performing by reason of such temporary Taking.

12.3.3. If there is a Taking, whether whole or partial, LESSOR and LESSEE shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed. If the DEMISED PREMISES shall be restored as is contemplated in subsection 12.3.1 above, LESSEE shall be entitled to recover the reasonable costs and expenses incurred in such restoration out of any Net Condemnation Award, as determined by such award. Thereafter, if the condemning authority does not make separate awards, the parties agree that any Net Condemnation Award will be allocated between them on a proportionate basis, taking into account factors including the value of the land, the value of the Development and the remaining term of this LEASE. If the parties are unable to agree as to the exact percentage of such allocation and the parties are unable to agree as to amounts that are to be allocated to the respective interests of each party, then each party shall select an independent M.A.I. real estate appraiser (an "Appraiser"). Each Appraiser shall separately determine the amount of the balance of the Net Condemnation Award that is to be allocated to each party. If the percentage allocated to LESSOR by one Appraiser is within ten percent (10%) of the percentage allocated to LESSOR by the other Appraiser, then the two percentage allocations shall be averaged and such average percentage shall be the percentage to be allocated to LESSOR, with the remaining percentage of the balance of the Net Condemnation Award to be allocated to LESSEE. If the percentage allocated to LESSOR by one Appraiser is not within ten percent (10%) of that allocated to LESSOR by the other Appraiser, then the two Appraisers shall select a third Appraiser, who shall independently determine the percentage of the balance of the Net Condemnation Award that should be allocated to each party; and the average of the percentages determined by the three Appraisers to be allocable to LESSOR shall be the percentage that is allocated to LESSOR, and the remaining percentage of the balance of the Net Condemnation Award shall be allocated to LESSEE. If necessary to engage a third Appraiser, such Appraiser shall be engaged jointly by LESSEE and LESSOR. The costs of all Appraisers engaged under this Section 12.3.3 shall, in the aggregate, be split equally by LESSEE and LESSOR. Nothing herein prohibits any party from seeking the determination of a court of competent jurisdiction as to the value of each party's interest in the Demised Premises.

12.3.4. If any Leasehold Mortgage exists, the Leasehold Mortgagee(s), to the extent permitted by law, shall be made a party to any Taking proceeding.

ARTICLE XIII
ASSIGNMENT; SUBLEASE

13.1. The LESSEE shall not assign or transfer its interest in this LEASE without the prior written approval of the LESSOR. Notwithstanding the foregoing and provided that the Lessee is not in default, the Lessee may at any time assign all of its rights and interest in this LEASE to Carlisle Group III, Ltd., which is an affiliate of the Tenant, without further approval from the Lessor.

13.2. Any assignee or sublessee will agree to operate the Development, in accordance with the provisions and subject to the requirements of this LEASE.

ARTICLE XIV
PUBLICITY; SIGNS

14.1. LESSOR AND LESSEE acknowledge that the LESSEE has received a commitment for funding by the LESSOR for construction of the Development. Further, the Lessee agrees that all publicity pertaining to the Development shall recognize the County as a funding source and that the LESSEE shall ensure that all advertisements and signs recognize the County's support of the Development. This is to include, but is not limited to, all posted signs, pamphlets, wall plaques, cornerstones, dedications, notices, flyers, brochures, news releases, media packages, promotions, and stationery. The use of the official County logo is permissible. The LESSEE shall ensure that all media representatives, when inquiring about the Development, are informed that the County is a funding source. The LESSEE shall notify the LESSOR of all events and activities involving publicity for the Development ten (10) days prior to the activity or event.

When the LESSEE obtains the building permit for the Development, the LESSOR must be notified in order to request a sign from Miami-Dade County General Services Administration (GSA), which shall ideitify the County as a funding source. Within thirty (30) days of the erection of the sign, the LESSOR will submit an invoice to the LESSEE for payment of the sign cost, which shall not exceed $750. The LESSEE is responsible for all costs for replacing any lost, defaced or missing sign. The sign shall remain on the Demised Premises at least ninety (90) days after the issuance of the Certificate of Occupancy (CO) or Certificate of Completion (CC).

14.2. Other signs identifying the Development or events pertaining thereto will be designed by LESSEE in its discretion, and shall be installed and maintained in accordance with all applicable laws, codes and regulations.

ARTICLE XV
NO LIABILITY

15.1. All personal property placed or moved onto the DEMISED PREMISES shall be at the risk of the LESSEE or the owner thereof. The LESSOR shall not be liable to the LESSEE for any damage to said personal property unless caused by or due to the negligence of the LESSOR, the LESSOR's agents or employees, subject to all limitations of Section 768.28, Florida Statutes.

ARTICLE XVI
LESSOR'S RIGHT OF ENTRY

16.1. The LESSOR or any of its agents, shall have the right to enter onto the DEMISED PREMISES during all reasonable working hours, to examine the same or to make such additions, inspections, or alterations as may be deemed necessary for the safety, comfort, or preservation thereof of the DEMISED PREMISES and to determine if the DEMISED PREMISES are being maintained in good condition, provided that to do so shall not unreasonably interfere with LESSEE's activities and shall not have access to the interior of the Residential Units. Such periodic inspections may also be made to determine whether the LESSEE is operating the DEMISED PREMISES in compliance with the terms and provisions of this LEASE including but not limited to the affordability restrictions of the NSP program.

ARTICLE XVII
RENTS AND OCCUPANCY RESTRICTIONS

17.1 LESSEE agrees with respect to the DEMISED PREMISES for the period beginning on the Effective Date and ending on the last day of the thirtieth (30th) year after the year in which the Project is completed, that:

17.1.1 All of the Residential Units must have rents which are equal to or less than 30% of annual incomes for households up to one hundred twenty percent (120%) of median income (AMI) adjusted for family size, however, at least half of the funds for this project must have a direct benefit to residents that are at or below 50% of AMI, minus tenant-paid utilities. Accordingly, the maximum initial approved rental rates for the DEMISED PREMISES are indicated in Exhibit D attached hereto. In the case of Section 8 units, the HUD approved contract rent is allowed.

17.1.2. At least six (6) Residential Units and up to ten (10) Residential Units are to be set aside for youth aging out of foster care. The LESSEE will work with a partner agency to identify these applicants.

17.1.3 The subject matter of this LEASE and the covenants set forth herein touch and concern the DEMISED PREMISES. It is the intent of the parties that this LEASE and the covenants set forth herein run with the DEMISED PREMISES. This LEASE shall be binding on the DEMISED PREMISES, the Project, and all portions thereof, and upon any purchaser, grantee, transferee, owner or lessee or any portion thereof, and on the heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner or lessee and on any other person or entity having any right, title or interest in the DEMISED PREMISES, the Project, or any portion thereof, for the length of time that this LEASE shall be in force. LESSEE hereby makes and declares these restrictive covenants which shall run with the title to said DEMISED PREMISES and be binding on the LESSEE and its successors in interest, if any, for the period stated in the preamble above, without regard to payment or satisfaction of any debt owed by LESSEE to the County or the expiration of any Contract between the LESSEE and the County.

17.1.4 The above rentals will include the following services to each unit:

Community Room
Ceiling Fans

Granite Counter Tops
Under Mount Sink
Water Filter
Hooded Microwave
Wood Cabinets
Elongated Dual Flush Toilets
All Rooms Wired for Phone/Internet/Cable
Porcelain Tiles 18x18

17.1.5 LESSEE further agrees that it will, during the term of this LEASE, (a) furnish each resident at the time of initial occupancy, a written notice that the rents to be charged for the purposes and services included in the rents are approved by the County pursuant to this LEASE, (b) maintain a file copy of such notice with a signed acknowledgment of receipt by each resident, and (c) make such notices available for inspection by the County during regular business hours.

17.1.6 LESSEE agrees that each Residential Unit shall meet the energy efficiency standards promulgated by the Secretary of the United States Department of Housing and Urban Development (hereafter "HUD"), the Florida Housing Finance Corporation (hereafter "FHFC"), and/or Miami-Dade County, as applicable.

17.2. LESSOR and LESSEE agree that rents may increase as median income increases as published by HUD. Any other adjustments to rents will be made only if LESSOR (and HUD if applicable), in their sole and absolute discretion, find any adjustments necessary to support the continued financial viability of the project and only by an amount that LESSOR (and HUD if applicable) determine is necessary to maintain continued financial viability of the project. LESSEE will provide documentation to justify a rental increase request not attributable to increases in median income. Within thirty (30) days of receipt of such documentation, LESSOR will approve or deny, as the case may be, in its sole and absolute discretion, all or a portion of the rental increase in excess of the amount that is directly proportional to the most recent increase in Median Annual Income. In no event, however, will any increase directly proportional to an increase in Median Annual Income be denied.

17.3 Except as otherwise noted, all parties expressly acknowledge that PHCD shall perform all actions required to be taken by the County pursuant hereto for the purpose of monitoring and implementing all the actions required under this LEASE. In addition, thirty (30) days prior to the effective date of any rental increase, the LESSEE shall furnish PHCD with notification provided to tenants advising them of the increase.

17.4 The LESSEE shall, on an annual basis, furnish PHCD with an occupancy report, which provides the following information:

17.4.1 List of all occupied apartments, Indicating composition of each resident family, as of the end date of the reporting period. Composition includes, but is not limited to:

1. Number of residents per units.

2. Area median income (AMI) per unit.

3. Race, Ethnicity and age per unit (Head of Household).

4. Number of units serving special need clients, including youth aging out of foster care.

5. Gross Household Rent

6. Maximum rent per unit.

17.4.2 A list of all vacant apartments, as of the end date of the reporting period.

17.4.3 The total number of vacancies that occurred during the reporting period.

17.4.4 The total number of units that were re-rented during the reporting period, stating family size and income.

17.4.5 The LESSEE shall upon written request of PHCD allow representatives of PHCD to review and copy any and all of its executed leases with tenant residing on the DEMISED PREMISES.

17.5 Pursuant to 42 U.S.C. § 12755, the LESSEE shall maintain the Property in compliance with all applicable federal housing quality standards, receipt of which is acknowledged by the LESSEE, and contained in Sec. 17-1, et seq.,. Code of Miami-Dade County, pertaining to minimum housing standards (collectively, "Housing Standards").

17.5.1 PHCD shall annually inspect the Development, including all common areas, to determine if the Property is being maintained in compliance with federal Housing Quality Standards and any applicable Dade County Minimum Housing Codes. Inspection of Residential Units may only be made following receipt of written approval from the tenants residing in such units. The LESSEE will be furnished a copy of the results of the inspection within thirty (30) days, and will be given thirty (30) days from receipt to correct any deficiencies or violations of the property standards of the Dade County Minimum Housing Codes or Housing Standards, or such longer time as may be applicable under said property standards.

17.5.2 At other times, at the request of the LESSEE or of any tenant, PHCD may inspect any Residential Units for violations to the property standards of any applicable Dade County Minimum Housing Codes or Housing Standards. The tenant and the LESSEE will be provided with the results of the inspection and the time and method of compliance and corrective action that must be taken.

17.5.3 Each Residential Unit shall contain at least one bedroom of appropriate size for two persons.

17.6 Prior to initial rent-up and occupancy, the LESSEE will submit the following documents to PHCD:

17.6.1 Proposed form of resident application.

17.6.2 Proposed form of occupancy agreement.

17.6.3 Applicant screening and tenant selection policies.

17.6.4 Maintenance and management plan which shall include the following information:

1. A schedule for the performance of routine maintenance such as up-keep of common areas, extermination services, etc.

2. A schedule for the performance of non-routine maintenance such as painting and reconditioning of Residential Units, painting of building exteriors, etc.

3. A list of equipment to be provided in each Residential Unit.

4. A proposed schedule for replacement of dwelling equipment.

5. A list of tenant services, if any, to be provided to residents.

The LESSEE agrees that the County has the right to refer eligible applicants for housing. The LESSEE shall not deny housing opportunities to eligible, qualified families, including those with Section 8 Housing Choice Vouchers, unless the LESSEE is able to demonstrate a good cause basis for denying the housing as determined by PHCD in its sole and absolute discretion.

17.7. Financial Reports

17.7.1 Annually, the LESSEE shall transmit to the County a certified annual operating statement showing project income, expenses, assets, liabilities, contracts, mortgage payments and deposits to any required reserve accounts (the "Operating Statement"). PHCD will review the Operating statement to insure conformance with all provisions contained in this LEASE.

17.7.2 The LESSEE will create a reserve for maintenance to be funded 3% of the monthly receipts. This reserve may be combined with reserve accounts required by any other parties making loans to LESSEE and will be deemed satisfied by any deposits made by LESSEE in accordance with loan documents.

ARTICLE XVIII
LIABILITY FOR DAMAGE OR INJURY

18.1. The COUNTY shall not be liable for any damage or injury which may be sustained by any party or person on the DEMISED PREMISES other than damage or injury caused by the negligence of the COUNTY, its employees or agents, subject to all limitations of, Section 768.28, Florida Statues.

ARTICLE XIX
PEACEFUL POSSESSION

19.1. Subject to the terms, conditions and covenants of this LEASE, the LESSOR agrees that the LESSEE shall and may peaceably have, hold and enjoy the DEMISED PREMISES, without hindrance or interruption by the LESSOR.

ARTICLE XX

INDEMNIFICATION AND HOLD HARMLESS

20.1. The LESSEE shall protect, defend, using attorneys reasonably acceptable to the LESSOR and hold the LESSOR and its officers, agents, and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorneys' fees, court costs, and expert fees, in connection with administrative hearings and litigation through all levels of trial and appellate proceedings), of any nature whatsoever arising out of or incident to this LEASE and the use or occupancy of the DEMISED PREMISES or the acts or omissions of officers, agents, employees, contractors, subcontractors, licensees, or invitees of the LESSEE regardless of where the injury, death or damage may occur, unless such injury, death, or damage is caused by the negligence or willful act or omission of the LESSOR, its employees or agents. The LESSOR shall give to the LESSEE reasonable notice of any such claims or actions. The provisions of this Article shall survive the expiration or early termination of this LEASE.

ARTICLE XXI
SUCCESSORS IN INTEREST

21.1. It is hereby covenanted and agreed between the PARTIES that all covenants, conditions, agreements, and undertakings contained in this LEASE shall extend to and be binding on the respective successors and assigns of the respective PARTIES hereto, the same as if they were in every case named and expressed.

ARTICLE XXII
DEFAULT, REMEDIES, AND TERMINATION

22.1. If the LESSEE fails to pay when due amounts payable under this LEASE or to perform any of its other obligations under this LEASE, LESSOR, after thirty (30) days' prior written notice to LESSEE, or, if the failure cannot be cured within thirty (30) days, then within such additional time as may be necessary to effect the cure, so long as it is commenced within said thirty (30) day time period and is diligently prosecuted, and without waiving any of its rights under this LEASE, may pay such amount or perform such obligations. All amounts so paid by LESSOR and all reasonable costs and expenses incurred by LESSOR in connection with the performance of any such obligations, will be payable by LESSEE to LESSOR within thirty (30) days of demand.

22.2. At the option of the LESSOR, the occurrence of any of the following events shall constitute an Event of Default by LESSEE following the giving of notice and the expiration of a cure period equal to thirty (30) days after written notice by LESSOR to LESSEE; provided, however, if the LESSOR determines that the nature of the breach is such that it cannot be cured by LESSEE within the period of thirty (30) days, the LESSOR shall not declare the LESSEE to be in default of this LEASE, as long as LESSEE has commenced the curing of such default within such thirty (30) day period and prosecutes in good faith, as reasonably determined by the LESSOR, the curing of same continuously thereafter until the same is, in fact, cured.

22.2.1. Failure of the LESSEE to operate the DEMISED PREMISES substantially in accordance with its approved uses; material non-performance of any covenant of this LEASE by the LESSEE, including a failure to rent all of the residential units to households with income

at or below one hundred and twenty percent (120%) of area median income with at least Two Million Five Hundred Thousand Dollars ($2,500,000) of the NSP funds for this project having a direct benefit to residents that are at or below fifty percent (50.0%) of AMI as required by this Lease.

22.2.2. Abandonment or vacation of the DEMISED PREMISES by the LESSEE before the end of the term of this LEASE, for ten (10) days or more.

22.2.3. The failure of the LESSEE to correct destruction of the DEMISED PREMISES, if required in writing by the LESSOR, pursuant to the provisions of Article XII.

22.2.4. Failure to obtain a temporary or permanent Certificate of Occupancy in accordance with the schedule attached as EXHIBIT "B".

22.2.5. Failure to pay the annual rent when due or to reimburse the LESSOR, as required by this Article for more than thirty (30) days after written notice from LESSOR.

22.3. If any one or more Events of Default set forth in this Article occur, then LESSOR may, at LESSOR's sole and exclusive remedy, at law or in equity, but subject in all respects to the rights of any holder of a Leasehold Mortgage and the Investor Limited Partner, as set forth herein, terminate this LEASE by written notice to LESSEE of its intention to terminate this LEASE on the date specified in such notice. On the date of termination, LESSEE's right to possession of the DEMISED PREMISES and the Development will cease and the leasehold interest conveyed by this LEASE shall re-vest in LESSOR, subject to the cure provisions of this LEASE, providing such re-vesting of the estate and the reentry by LESSOR shall be subject to and limited by, and shall not defeat, render invalid or limit in any way the lien of any Leasehold Mortgage.

22.4. Notwithstanding any provision to the contrary contained in this LEASE, the LESSOR may, subject to the notice and cure periods set forth in this LEASE, terminate this LEASE immediately upon the voluntary or involuntary assignment of this LEASE without written approval of the LESSOR, except as expressly permitted by this LEASE.

22.5. Notwithstanding any provision to the contrary contained in this LEASE, in the event the LESSEE violates this LEASE and such violation results in a physical defect in the subject property which poses a substantial risk to persons or property, the LESSOR may terminate this LEASE, subject to the notice and cure periods set forth in this LEASE.

22.6. Notwithstanding any provision to the contrary contained in this LEASE, failure, after the Commencement Date, of the LESSEE to secure and to maintain at all times required licensing, shall entitle the LESSOR, subject to the notice and cure periods set forth in this LEASE, to terminate this LEASE.

22.7. Notwithstanding any provision to the contrary contained in this LEASE, failure to adhere to the terms of the Funding Agreement or any of the NSP regulations and/or restrictions to build and operate this Development as required shall entitle the LESSOR, subject to the notice and cure periods set forth in this LEASE, to terminate this LEASE.

ARTICLE XXIII
MISCELLANEOUS

23.1. Miami-Dade County's Rights as Sovereign. Notwithstanding any provision of this LEASE and County's status as Lessor thereunder:

(a) County retains all of its sovereign prerogatives and rights as a county under Florida laws (but not in regard to its status as Lessor and the performance of its contractual duties hereunder) and shall in no way be estopped from withholding or refusing to issue any approvals of applications and/or permits for building or zoning; from exercise its planning or regulatory duties and authority; and from requiring development under present or future laws and ordinances of whatever nature applicable to the design and construction of the Development; and

(b) County shall not by virtue of this LEASE be obligated to grant to LESSEE, the DEMISED PREMISES or the Development or any portions thereof, any approvals of applications for building, zoning, planning or development under present or future laws and ordinances of whatever nature applicable to the design and construction of the Development provided for in this LEASE, nor shall the County be obligated to provide funding to finance the costs connected with the development of the Demised Property. On the last day of the Term of this LEASE, or upon any earlier termination of this LEASE subject to compliance with the provisions of this LEASE regarding termination of the LEASE, LESSEE shall surrender and deliver up the DEMISED PREMISES to the possession and use of LESSOR the buildings and improvements in their then "as is" condition. The provisions of this paragraph shall survive any expiration of termination of this LEASE.

23.2. Removal of Personal Property or Fixtures. Where furnished by or at the expense of LESSEE, or secured by a lien held by a lender financing same, signs, furniture, furnishings, movable trade fixtures, business equipment and alterations and/or other similar items may be removed by LESSEE, or lien holder at, or prior to, the termination or expiration of this LEASE; provided however, that if the removal thereof will damage a building or necessitate changes in or repairs to a building which is a part of the Development, LESSEE shall repair or restore (or cause to be repaired or restored) the building to a condition substantially similar to its condition immediately preceding the removal of such furniture, furnishings, movable trade fixtures and business equipment, or pay or cause to be paid to LESSOR the reasonable cost of repairing any damage arising from such removal. The provisions of this paragraph shall survive any expiration of termination of this LEASE.

22.4 Rights to Personal Property After Termination or Surrender. Any personal property of LESSEE which shall remain in the DEMISED PREMISES after the fifteenth (15th) day following the termination or expiration of this LEASE and the removal of LESSEE from the DEMISES PREMISES, may, at the option of LESSOR, be deemed to have been abandoned by LESSEE and, unless any interest therein is claimed by a lender, said personal property may be retained by LESSOR as its property or be disposed of, without accountability, in such manner as LESSOR may see fit. The provisions of this paragraph shall survive any expiration of termination of this LEASE.

ARTICLE XXIV
NOTICES

24.1. It is understood and agreed between the PARTIES hereto that written notice addressed and sent by any nationally recognized overnight delivery service or by certified or registered mail, return receipt requested, first class, postage prepaid and addressed as follows:

IF TO LESSOR:

County Mayor
Stephen P. Clark Center
111 N.W. First Street
Twenty Ninth Floor
Miami, Florida 33128

with copy to:

County Attorney
County Attorney's Office
Stephen P. Clark Center
111 N.W. First Street
Suite 2810
Miami, Florida 33128

and

Internal Services Department
Office of the Director
111 NW 1st Street
Suite 2410
Miami, FL 33128

and

Public Housing and Community Development
Overtown Transit Village North
701 N.W. 1 Court
Suite 1400
Miami, Florida 33136
Attention: Assistant Director, Housing

IF TO LESSEE:

Carlisle Development Group, LLC
2950 SW 27th Ave.
Suite 200
Miami, FL 33133

with copy to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, FL 33130
Attention: Patricia K. Green, Esq.

shall constitute sufficient notice to the LESSEE and the LESSOR, as applicable, pursuant to this LEASE. Any notice required to be provided by this LEASE or by law shall be sufficiently provided, if provided in accordance with the terms of this paragraph.

ARTICLE XXV
AMENDMENTS

25.1. No amendment to this LEASE shall be effected, unless agreed to in writing by the LESSOR and the LESSEE (with the prior written consent of any Leasehold Mortgagee and the investor limited partner of LESSEE (the "Investor Limited Partner")), defined as one who has provided tax credit equity in the project governed by this lease. Notwithstanding any provision herein to the contrary, the County Mayor or his designee, is expressly authorized to agree, on behalf of the LESSOR, to: (a) any amendment to this LEASE which (i) reduces or increases the number of affordable housing units by ten percent (10%) or less, (ii) reduces or increases the number of parking spaces in accordance with any variance or determination granted by the applicable governmental authority, (iii) reduces or increases the square footage of the Residential Units structure by no more than ten percent (10%), (iv) insubstantially modifies the design of the Development in a manner which is consistent with the use of the premises as set forth in this LEASE, or (v) modifies the schedule contained in EXHIBIT "B", as long as such modification does not extend the date for obtaining the certificate of occupancy beyond March 9, 2013; (b) execute any consent to any sublease; and (c) execute such easements as provided for in this LEASE.

ARTICLE XXVI
INTENTIONALLY OMITTED

ARTICLE XXVII
INSURANCE

27.1. Prior to commencement of work, or as otherwise noted below, the LESSEE and its assigns shall obtain and cause its contractor to obtain all insurance required under this Article and submit same to the COUNTY for approval. All insurance shall be maintained during the construction process and during the occupancy of the DEMISED PREMISES until such time as this LEASE is terminated.

27.2. The LESSEE shall furnish:

27.2.1. Certificate(s) of Insurance which clearly indicate the insurance coverages required in paragraphs 27.3.1, 27.3.2 and 27.3.3 of this Article.

27.2.2. Copies of Policies which clearly indicate the coverages required in paragraphs 27.3.4 and 27.3.5.

27.3. The Certificate(s) of Insurance and copies of Policies shall indicate no modification or change in insurance will be made without thirty (30) days written advance notice to Miami-Dade County c/o the Director of the Risk Management Division.

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

27.3.2. Upon the Effective Date, Public Liability Insurance - on a Comprehensive basis, in an amount not less than $500,000 per occurrence for bodily injury and property damage combined. Coverage shall include Products and Completed Operation, Broad Form Property Damage and Contractual Liability. This coverage shall include those classifications as listed in Standard Liability Insurance Manuals, which are applicable to the operations of the LESSEE in the performance of the contract.

27.3.3. Upon the Effective Date, 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 per occurrence for bodily injury and property damage combined.

27.3.4. Upon the Effective Date, Owner's Protective Liability Insurance - issued in the name of Miami-Dade County as sole insured, in amounts as indicated in paragraph 26.3.2 above. This policy must be endorsed to indicate that any premium, whether deposit or final, shall be the sole obligation of the LESSEE or its contractor.

27.3.5. Completed Value Builder's Risk Insurance - on an "All Risk" basis in an amount not less than one hundred (100%) percent of the insurable value of the structure(s). The policy shall be in the name of Miami-Dade County and the LESSEE, and the Contractor as their interests may appear.

27.3.6. Property coverage on an "All Risk" basis in an amount not less than one hundred (100%) percent of the replacement cost of the Development, exclusive of foundation and infrastructure costs.

27.4. All insurance policies required above shall be issued in companies authorized to do business under the laws of the State of Florida, and the Company must be rated no less than "B" as to management, and no less than Class "V" as to strength, by the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey. All insurance required by this LEASE must stay in force until final acceptance except, "Completed Value Builder's Risk" which may be dropped after substantial completion.

27.5. The LESSEE shall furnish certificates of insurance and insurance policies to the COUNTY prior to commencing any operations under this LEASE; which certificates shall clearly indicate that the LESSEE has obtained insurance, in the type, amount, and classifications, as required for strict compliance with this Section. All insurance required by this Article shall indicate as named or additional insured the LESSOR and LESSEE, their successors and assigns, as their respective interests may appear.

27.6. Compliance with the foregoing requirements as to the carrying of insurance shall not relieve the LESSEE from its liability under any other portion of this LEASE.

27.7. Cancellation of any insurance or bonds, or non-payment by the LESSEE of any premium for any insurance policies or bonds required by this LEASE shall constitute a breach of this LEASE. In addition to any other legal remedies, the COUNTY at its sole option, but subject to the notice and cure periods set forth in this LEASE, may terminate this LEASE.

ARTICLE XXVIII
PERMITS, REGULATIONS, AND LICENSING COMPLIANCE WITH LAWS

28.1. LESSEE covenants and agrees that during the term of this LEASE, the LESSEE will obtain, at its sole cost and expense, all necessary permits and approvals from applicable governmental authorities necessary for the construction, use and operation of the DEMISED PREMISES and that all uses of the DEMISED PREMISES will be in conformance with all applicable laws, ordinances, and resolutions, including all applicable zoning regulations. The DEMISED PREMISES are subject to various permits and approvals by the appropriate governing bodies. Commencing on the Commencement Date, the LESSEE shall have in place continuously and throughout the Term of this LEASE, or shall timely obtain as the need arises with respect to particular uses, all required licensing by the State of Florida and such departments or agencies of the United States for the specific use as set forth in this LEASE. Failure of the LESSEE to secure and to maintain required licensing at all times after the Commencement Date, shall entitle the LESSOR to automatic termination of this LEASE, subject to the notice and cure periods set forth in this LEASE.

ARTICLE XXIX
FEDERAL, STATE AND COUNTY LAWS, REGULATIONS AND REQUIREMENTS

29.1. The LESSEE shall comply with applicable provisions of applicable Federal, State and County laws, regulations and rules, including but not limited to OMB A-122, OMB A-110, OMB A-21, and OMB A-133; the Energy Policy and Conservations Act (Pub. L. 94-163) which imposes mandatory standards and policies relating to energy efficiency; and all pertinent rules, requirements and regulations to which the COUNTY is subject by virtue of its ownership of the DEMISED PREMISES as of the date of this LEASE. Additionally, the Contractor shall comply with provisions of the County Code, if applicable, including Section 2-11.16, Code of Miami-Dade County, which provides that leases which provide for privately funded construction, alteration or repair of buildings or improvements located on County-owned land whose estimated cost is greater than or equal to one million dollars ($1,000,000) shall require laborers and mechanics performing such work be paid no less than overall hourly rates required on competitively bid County construction contracts, pursuant to the provisions of the Code and Section 2-1701 of the Code of Miami-Dade County which may require the application of a local workforce goal requiring that a minimum of 10% of the persons performing the construction trades and labor work under the contract be residents of Designated Target Areas, as set forth in the Code. If any provision of this LEASE conflicts with any applicable law or regulation, only the conflicting provision shall be deemed by the PARTIES hereto to be modified to be consistent with the law or regulation or to be deleted if modification is impossible. However, the obligations under this LEASE, as modified, shall continue and all other provisions of this LEASE shall remain in full force and effect.

29.2. The LESSEE shall comply with all applicable standards, orders, or regulations issues pursuant to Section 306 of the Clean Air Act of 1970 (42 U.S.C. 1857 h), as amended; the Federal Water Pollution Control Act (33 U.S.C. 1251), as amended; Section 508 of the Clean Water Act (33 U.S.C. 1368); Environmental Protection Agency regulations (40 CFR Part 15); and Executive Order 11738.

29.3. Permits and Zoning Issues - The LESSEE shall be responsible for guaranteeing that all uses of the DEMISED PREMISES, including but not limited to any improvements made to said Property, must be in compliance with all written State and local rules, regulations, zoning requirements, and including to the extent applicable and permitted, all COUNTY DBE measures.

29.4. Any permits or zoning changes which may be required shall be the responsibility of the LESSEE.

29.5. LESSEE agrees to execute any restrictive covenants required by the COUNTY to ensure compliance with the affordable housing requirements of the NSP. The restrictive covenant required by the COUNTY shall be in such form as approved by the US HUD and, at a minimum, include a requirement that all of which shall be rented to households with incomes at or below one hundred and twenty percent (120%) of Area Median Income (AMI) with at least two million, five hundred thousand ($2,500,000) of the NSP funds for this project having a direct benefit to residents that are at or below fifty percent (50%) of AMI together with common areas and amenities appurtenant thereto, to be leased or provided to persons qualifying under NSP guidelines. This restrictive covenant shall not be subordinated to the interest of any lender financing the construction of the Development without the prior consent of the Board of County Commissioners.

ARTICLE XXX
INTENTIONALLY OMITTED

ARTICLE XXXI
LEASEHOLD FINANCING

31.1. Right to Mortgage. LESSEE shall have the right to grant such mortgages of interests in this LEASE as may be contemplated by any lender (each a "Leasehold Mortgage" and collectively, the "Leasehold Mortgages") and, in connection therewith, to collaterally assign this LEASE to such lenders; provided, however, that in no event shall LESSOR ever be required to execute any such mortgage (except to the extent required to acknowledge that the estate pledged by LESSEE to such Leasehold Mortgagee is a leasehold estate and includes all improvements comprising the Development), or any note secured thereby or any other obligation securing any such note, or to subordinate LESSOR'S fee interest in the DEMISED PREMISES or any portion thereof to the lien of any such mortgage. LESSEE shall deliver to LESSOR a written notification containing the name of the mortgagee (holder of each Leasehold Mortgage (each, a "Leasehold Mortgagee" and collectively the "Leasehold Mortgagees") and the address(es) to which notices to the Leasehold Mortgagees are to be sent, within five (5) business days after LESSEE'S grant of a Leasehold Mortgage. Notwithstanding any provision in this LEASE to the contrary, there shall be no subordination of the LESSOR'S fee simple interest in the Demised Premises to the lien of any Leasehold Mortgagee of the LESSEE or its assigns, nor shall the COUNTY be required to join in such mortgage financing. No Leasehold Mortgagee may impose any lien upon the LESSOR'S fee simple interest in the DEMISED PREMISES.

31.2. LESSOR As First Mortgagee: The LESSOR, for having loaned $5,000,000 to this project, shall have the First Mortgage position on the Property for as long as it has this loan outstanding and will not subordinate this position to any other loan for this project without the

prior written consent of the Mayor or Mayor's designee unless the LESSEE arranges for a separate construction loan in which case, until the construction loan is repaid, the LESSOR will move to second position.

31.3. Consent Required for Cancellation, Surrender and Amendment. A cancellation, surrender or modification of this LEASE by agreement between LESSOR and LESSEE shall be effective as to all Leasehold Mortgagees, if consented to in writing by all Leasehold Mortgagees, and the Investor Limited Partner. Notice of any such consent by each Leasehold Mortgagee shall be delivered to the LESSOR pursuant to the provisions of Article XXIV.

31.4. Default Notice. LESSOR, upon providing LESSEE with any notice of: (i) default or a potential or threatened default under this LEASE, or (ii) termination of this LEASE, shall at the same time provide a copy of such notice to Investor Limited Partner and to every Leasehold Mortgagee of whom it has knowledge pursuant to notice from LESSEE provided in accordance with this Article. No such notice by LESSOR to LESSEE shall be deemed to have been duly given unless and until a copy thereof has been so provided to Investor Limited Partner and to every Leasehold Mortgagee in the manner required or as specified in Article XXIV. From and after the date such notice has been given to Investor Limited Partners and/or a Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period, after the giving of such notice upon it, for remedying any default or causing the same to be remedied, as is given LESSEE, after giving of such notice to LESSEE, plus, in each instance, the additional periods of time specified in paragraphs 31.4, 31.5 and 31.6 of this Article XXXI. Lessor shall accept such payment or performance by or at the instigation of Investor Limited Partner or such Leasehold Mortgagee, as if the same had been done by LESSEE. LESSEE authorizes Investor Limited Partner and any and each Leasehold Mortgagee to take any such action at the Investor Limited Partner's or such Leasehold Mortgagee's option and does hereby authorize entry upon the DEMISED PREMISES by the Investor Limited Partner and/or any Leasehold Mortgagee for such purpose.

31.5. Notice to Leasehold Mortgagee and Investor Limited Partner. Anything contained in this LEASE to the contrary notwithstanding, if any default shall occur which entitles LESSOR to terminate this LEASE, LESSOR shall have no right to terminate this LEASE unless, following the expiration of the period of time given LESSEE to cure such default, LESSOR shall notify every Leasehold Mortgagee and Investor Limited Partner, of LESSOR's intent to so terminate, at least ninety (90) days in advance of the proposed effective date of such termination (the "Mortgagee Cure Period"). The provisions of paragraph 31.5 of this Article XXXI shall apply if, during such Mortgagee Cure Period, any Leasehold Mortgagee or Investor Limited Partner:

31.5.1. notifies LESSOR of such Leasehold Mortgagee's or Investor Limited Partner's desire to cure the default described in such notice; and

31.5.2. pays or causes to be paid all Base Rent and other payments then due and in arrears as specified in the notice given to such Leasehold Mortgagees and Investor Limited Partner and which may become due during such Mortgagee Cure Period; and

31.5.3. complies or in good faith, with diligent efforts, commences to comply with all non-monetary requirements (i.e., all obligations other than the payment of Base rent and other amounts due LESSOR under this LEASE) of this LEASE then in default and reasonably susceptible of being complied with by such Leasehold Mortgagee or Investor Limited Partner; provided, however, nothing herein shall excuse the Leasehold Mortgagee or its successors from using the Development for the purposes required by this Lease.

31.6. Procedure on Default. If LESSOR shall elect to terminate this LEASE by reason of any default of LESSEE, and a Leasehold Mortgagee or Investor Limited Partner shall have proceeded in the manner provided for by paragraph 31.4 of this Article XXXI, LESSOR will enter into a new lease for the DEMISED PREMISES with such Leasehold Mortgagee or Investor Limited Partner, for the remainder of the term, effective as of the date of such termination, at the same Base Rent and subject to the same covenants and agreements, terms, provisions and limitations herein contained, provided that: (i) The Leasehold Mortgagee has provided adequate proof that it has commenced funding the Development, and (ii) LESSOR receives the Leasehold Mortgagee's written request for such new lease within the Mortgagee Cure Period and such written request is accompanied by payment to LESSOR of all amounts then due and owing to LESSOR under this LEASE, as well as interest accumulated thereon, and such non-monetary defects have been cured or are being cured in a diligent manner that is satisfactory to LESSOR, and (iii) within ten (10) days after the delivery of an accounting therefore by LESSOR, such Leasehold Mortgagee or Investor Limited Partner pays any and all costs and expenses, including reasonable counsel fees, court costs and disbursements made by LESSOR in connection with any such default and termination as well as in connection with the execution and delivery of the new lease, less the net income collected by LESSOR from the DEMISED 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 Base Rent thereafter becoming due under the new lease.

31.7. Extension of Cure Period. If, within the Mortgagee Cure Period, more than one request for a new lease shall have been received by LESSOR for the DEMISED PREMISES, priority shall be given (regardless of the order in which such request shall be made or received) to the Investor Limited Partner and then to any Leasehold Mortgagee making such a request in order of their priority of interest in said DEMISED PREMISES. Simultaneously with the making of such new lease, the party obtaining such new lease and all other parties junior in priority of interest in the DEMISED PREMISES shall execute, acknowledge and deliver such new instruments, including a new mortgage, and shall make such payments and adjustments among themselves as shall be necessary and proper for the purpose of restoring to each of such parties as nearly and reasonably possible, the respective interest and status with respect to the DEMISED PREMISES which was possessed by the respective parties prior to the termination of this LEASE.

ARTICLE XXXII
REPORTS AND DOCUMENTS

32.1. The LESSEE shall provide the following reports and documents to the LESSOR:

32.1.1. Certificate of Insurance - To be received by the COUNTY as specified in Article XXVI of this LEASE.

32.1.2. Construction/Renovation Schedule - The LESSEE shall provide a schedule, consistent with EXHIBIT "B" attached herein, detailing the anticipated time-line for the completion of the construction of the Development and shall update such schedule on a quarterly basis until all expected construction is completed. If there is any renovation in the future, a similar schedule must be provided within the same time frame.

ARTICLE XXXIII
BONDS

33.1. Bonds: The LESSEE and its assigns, at its own cost and expense, shall obtain and deliver or cause to be obtained and delivered by its general contractor to the COUNTY, not less than ten (10) days prior to the anticipated commencement of construction, a completion and payment bond in favor of the COUNTY, the LESSEE, the General Contractor and any Leasehold Mortgagees as security for the faithful performance of the construction of the Development undertaken to fulfill this Lease and for the payment of all persons performing labor or furnishing materials in connection therewith. The bond shall be for the full amount of contemplated construction work and shall remain in effect until the completion of any payment for the Development, free and clear of all claims of mechanics, laborers and materialmen. The 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:

33.1.1. 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 (1986 or later) edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey:

Bond Amount	Best Rating
$500,001 to 1,500,000	B-V
1,500,001 to 2,500,000	A-VI
2,500,001 to 5,000,000	A-VII
5,000,000 to 10,000,000	A-VIII
Over 10,000,000	A-IX

33.1.2. On contract amounts of $500,000 or less the bond provisions of Section 287.0935, Florida Statute (1985) 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.

33.1.3. 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 above.

33.1.4. For contracts in excess of $500,000, the provision of paragraph 32.1.2 will be adhered to plus the company must have listed for at least three consecutive years, or holding a valid Certificate of Authority of at least 1.5 million dollars and on Treasury List.

33.1.5. Surety Bonds guaranteed through U.S. Government Small Business Administration or Contractors Training and Development Inc. will be acceptable.

33.1.6. The attorney-in-fact or the officer who signs a contract bond for a surety company must file with such bond a certificate copy of his power of attorney authorizing him to do so; the contract bond must be countersigned by the surety's resident Florida agent.

33.2. In the event the Surety on the bond(s) given by the LESSEE becomes insolvent, or is placed in the hands of a receiver, or has its right to do business in its State of domicile or the State of Florida suspended or revoked as provided by law, or in the event of cancellation of the required bonds by Surety, the COUNTY shall withhold all payments until the LESSEE shall give good and sufficient bond(s) in lieu of the bond(s) executed by such Surety.

ARTICLE XXXIV
NON-DISCRIMINATION

The following requirements are in addition to the requirements set forth in the Funding Agreement and shall be construed to the greatest extent possible as cumulative with the requirements of the Funding Agreement:

34.1. Affirmative Action Plan - The LESSEE shall report to the COUNTY information relative to the equality of employment opportunities whenever so requested by the COUNTY.

34.2. Assurance of Compliance with Section 504 of the Rehabilitation Act - The LESSEE shall report its compliance with Section 504 of the Rehabilitation Act whenever requested by the COUNTY.

34.3. Civil Rights - The LESSEE agrees to abide by Chapter 11A, Article IV, Sections 2 and 28 of the Code of Miami-Dade County, as amended, applicable to non-discrimination in employment and abide by Executive Order 11246 which requires equal employment opportunity.

34.4. Where applicable the LESSEE agrees to abide and be governed by Titles VI and VII, Civil Rights Act of 1964 (42 USC 2000 D&E) and Title VIII of the Civil Rights Act of 1968, as amended, and Executive Order 11063 which provides in part that there will be no discrimination of race, color, sex, religious background, ancestry, or national origin in performance of this LEASE, in regard to persons served, or in regard to employees or applicants for employment or housing; it is expressly understood that upon receipt of evidence of such discrimination, the COUNTY shall have the right to terminate said LEASE.

34.5. The LESSEE also agrees to abide and be governed by the Age Discrimination Act of 1975, as amended, which provides; in part, that there shall be no discrimination against persons in any area of employment because of age. The LESSEE agrees to abide and be governed by Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC 794, which prohibits discrimination on the basis of handicap. The LESSEE agrees to abide and be governed by the requirements of the Americans with Disabilities Act (ADA).

ARTICLE XXXV
STANDARD COUNTY AFFIDAVITS

35.1. The LESSEE agrees to read, execute, and abide by Miami-Dade County ordinances and resolutions required for those parties doing business with Miami-Dade County, as outlined in the Miami-Dade County required affidavits, in such form as approved by the Miami-Dade County Attorney's Office.

ARTICLE XXXVI
WRITTEN AGREEMENT; NO CONFLICT; MEMORANDUM

36.1. This LEASE and the Affordable Housing Funding Agreement between the County and Carlisle Development Group, LLC, executed on July 18, 2010 (the "Funding Agreement") contain the entire agreement between the PARTIES hereto and all previous negotiations leading thereto. In the event that a conflict arises between this LEASE and the Funding Agreement with regard to the number of units and the number of set aside units, the terms, provisions and definitions included in this LEASE shall prevail as the governing agreement. In the event that the Subsidy Layering Review ("SLR") determines the Development's true gap financing needs to be less than the maximum award allocated by the County, the SLR amount will be awarded. In the event that a conflict exists between the requirements of the LEASE and the federal requirements set forth in the Funding Agreement, the terms provisions and definitions of the Funding Agreement shall prevail as the governing agreement.

36.2. Upon the Effective Date of this LEASE, the PARTIES shall execute and deliver a Memorandum or short form of this LEASE, which LESSEE shall record in the public records of Miami-Dade County in which to put third parties on notice. 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.

(Signatures appear on the following pages)

IN WITNESS WHEREOF, the LESSOR and LESSEE have caused this LEASE to be executed by their respective and duly authorized officers the day and year first above written.

LESSEE:

WITNESSES:

Print Name: amber Green

Print Name: Veronica Marrero

Carlisle Development Group, LLC, a Florida limited liability company

By: Carlisle Development Group LLC, a Florida limited liability company, its managing general partner

By: _____
Matthew Greer, Manager

LESSOR:

ATTEST:

HARVEY RUVIN, CLERK

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

By: _____
Deputy Clerk

By: _____
Carlos A. Gimenez, County Mayor

Approved as to form and legal sufficiency:

_____
Assistant County Attorney

EXHIBIT "A"
LEGAL DESCRIPTION

COUNTY FOLIO # 30-3115-000-0170

15 53 41 .589 AC W170.23FT OF E274.93FT OF S 151.36FT OF N206.36FT OF NW1/4 OF NE1/4 OF SW1/4 LOT SIZE 170.23 X 151 OR 16903-3061 0895 5

EXHIBIT "B"

REQUIRED MILESTONE DEADLINES
FROM EFFECTIVE DATE OF EXECUTED AFFORDABLE HOUSING FUNDING AGREEMENT
(December 1, 2011)

Task	Days	Date
Notice to Proceed	0	7/9/2010
Review of Revitalization Plan at 50% Completion	356	6/30/2011
Development and completion of Revitalization Plan	386	7/30/2011
Infrastructure 50% Plans completion	417	8/30/2011
Building 50% Plans completion	417	8/30/2011
Final Plat recorded	n/a	n/a
Infrastructure 100% Plans completion	478	10/30/2011
Infrastructure Construction Start	630	3/30/2012
Building Construction 100% Plans completion	478	10/30/2011
Building Construction Start	630	3/30/2012
Infrastructure Construction Completion	936	1/30/2013
Building Construction Completion	936	1/30/2013
Final NSP Deadline	**974**	**3/9/2013**

EXHIBIT "C"

Leasehold Mortgages or other Encumbrances in the Following Priority:

1. $ Amount TBD- Construction Loan
2. $ Amount TBD - Florida Housing Finance Corporation (with LURA)
3. $ Amount TBD - HOME/SHIP/Surtax - Miami-Dade County (with RRA)
4. $ Amount TBD - HOME/SHIP - City of Miami (with RRA)
5. Extended Use Agreement (in favor of FHFC)
6. Other Encumbrances and easements as may be necessary in the ordinary course of business

EXHIBIT D

Rents:

Number of Units	Type	Gross Rent	Utility	Net Rent
6	1BR/1BA 28%AMI	$362	$87	$275
6	1BR/1BA 50%AMI	$646	$87	$559
12	1BR/1BA 60%AMI	$776	$87	$689
3	2BR/2BA 50%AMI	$776	$119	$657
3	2BR/2BA 60%AMI	$931	$119	$812

At the discretion of the County, up to twenty percent (20%) of the rental units, per project, may be designated for Housing Choice Voucher (Section 8) subsidy, either project-based or tenant-based. The LESSEE shall not deny housing opportunities to eligible, qualified Housing Choice Voucher (Section 8) applicants referred by the County, unless good cause is documented by the LESSEE and submitted to the County.

NOTE:

LOAN DOCUMENT INFORMATION TO BE PROVIDED FOLLOWING RECORDING OF MORTGAGE

Mortgage Document No: _____

Date Recorded: _____

Book Number: _____

Page Number: _____

County: MIAMI-DADE
State: FLORIDA