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

MEMORANDUM

Agenda Item No. 11(A)(12)

TO: Honorable Chairman Jean Monestime and Members, Board of County Commissioners

DATE: May 17, 2016

FROM: Abigail Price-Williams County Attorney

SUBJECT: Resolution waiving Administrative Rules for Economic Development Fund Project 320 of Building Better Communities General Obligation Bond Program, approving allocation, subject to recapture, of up to $2,000,000.00 from Project 320 funds to Tacolcy Tuscany Cove I, LLC to fund certain eligible infrastructure projects and directing County Mayor to negotiate terms of related Grant Agreement pursuant to Bond Program's Administrative Rules and present such Grant Agreement or, alternatively, a report, for consideration by Board

Resolution No. R-420-16

This item was amended at the 4-14-16 Economic Prosperity Committee to provide that, should the Board approve the allocation of up to $1,100,000.00 from Project 320 funds to Jessie Trice Community Health Center Inc. (File No. 160759) at the same Board meeting at which this Resolution is adopted, any Recaptured Funds should be allocated first to the Jessie Trice Community Health Center Inc. and then subsequently to Tacolcy Tuscany Cove I, LLC.

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Audrey M. Edmonson.

Abigail Price-Williams
County Attorney

APW/smm

MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: May 17, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 11(A)(12)

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

_____ Statement of social equity required

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

_____ No committee review

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

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

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(12)
5-17-16

RESOLUTION NO. R-420-16

RESOLUTION WAIVING ADMINISTRATIVE RULES FOR ECONOMIC DEVELOPMENT FUND PROJECT 320 OF BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM, APPROVING ALLOCATION, SUBJECT TO RECAPTURE, OF UP TO $2,000,000.00 FROM PROJECT 320 FUNDS TO TACOLCY TUSCANY COVE I, LLC TO FUND CERTAIN ELIGIBLE INFRASTRUCTURE PROJECTS AND DIRECTING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO NEGOTIATE TERMS OF RELATED GRANT AGREEMENT PURSUANT TO BOND PROGRAM'S ADMINISTRATIVE RULES AND PRESENT SUCH GRANT AGREEMENT OR, ALTERNATIVELY, A REPORT, FOR CONSIDERATION BY BOARD

WHEREAS, Appendix A to Resolution No. R-914-04 (the "Public Infrastructure Resolution"), lists projects eligible for funding from the Building Better Communities General Obligation Bond Program (the "Bond Program") by project number, municipal project location, commission district, project description, street address, and project funding allocation; and

WHEREAS, one of the projects listed in Appendix A to the Public Infrastructure Resolution and approved by the voters for funding is Project No. 320 – Economic Development in Targeted Urban Areas ("Project 320") with a project description that states "Provide infrastructure improvements to spur economic development and attract new businesses to the community in order to create jobs"; and

WHEREAS, the goal of Project 320 is to encourage private sector development that will create jobs and cause economic development which will have long term benefits to the community in Targeted Urban Areas; and

WHEREAS, this Board has previously allocated $13,500,000.00 of the $15,000,000.00 Project 320 funds to other infrastructure projects, subject to the negotiation of the County Mayor or the County Mayor's designee (the "County Mayor"), of a Grant or Interlocal Agreement to be presented to this Board for its approval leaving a remaining balance of $1,500,000.00 unallocated; and

WHEREAS, in the event that the County Mayor is unable to successfully negotiate a Grant or Interlocal Agreement and/or this Board does not approve the award of the Project 320 funds to one or more of the proposed Project 320 grant recipients to whom the Project 320 funds have been allocated, such funds will be recaptured and be available for re-allocation to other eligible Project 320 projects ("Recaptured Funds"); and

WHEREAS, Tacolcy Tuscany Cove I, LLC submitted an application, a copy of which is attached to this resolution as Exhibit A, for $2,000,000.00 of Project 320 funding in order to fund public infrastructure costs associated with the development of a 160 unit residential affordable housing building and associated retail in the north central empowerment zone ("Project"); and

WHEREAS, this Board wishes to allocate up to $2,000,000.00 of Project 320 funds to Tacolcy Tuscany Cove I, LLC for the funding of public infrastructure costs for the Project upon certain economic development benchmarks being met and other requirements of the administrative rules of the Bond Program for Project 320 (the "Administrative Rules"); and

WHEREAS, in the event that Recaptured Funds become available for re-allocation, this Board wishes to prioritize and approve an allocation of up to $2,000,000.00 from Project 320 to Tacolcy Tuscany Cove I, LLC for the funding of public infrastructure costs for the Project in accordance with the Administrative Rules such that Tacolcy Tuscany Cove I, LLC shall be first in line to receive any Project 320 Recaptured Funds; and

>>**WHEREAS**, should this Board also approve the allocation of up to $1,100,000.00 from Project 320 funds to Jessie Trice Community Health Center Inc. (File No. 160759) at the same Board meeting at which this Resolution is adopted, however, this Board desires that any Recaptured Funds be allocated first to the Jessie Trice Community Health Center Inc. up to $1,100,000.00 and then subsequently to Tacolcy Tuscany Cove I, LLC up to $2,000,000.00; and<<[1]

WHEREAS, the Administrative Rules provide that the maximum aggregate amount of Project 320 allocations to each Targeted Urban Area be capped at $3,000,000.00; and

WHEREAS, the Project is to be located in the Liberty City Targeted Urban Area in which a previously approved Project 320 grantee with an allocation of $2,000,000.00 is located; and

WHEREAS, this Board wishes to waive the requirement set forth in the Administrative Rules for Tacolcy Tuscany Cove I, LLC that the maximum aggregate amount of Project 320 allocations to each Targeted Urban Area be capped at $3,000,000.00; and

WHEREAS, the Grant Agreement between the County and Tacolcy Tuscany Cove I, LLC which incorporates such conditions shall be negotiated by the County Mayor within six months from the effective date of this resolution and shall be subsequently presented to this Board for approval, provided that, if negotiations are not complete, a report will be presented to this Board instead,

[1] Committee amendments are indicated as follows: Words stricken through and/or [[double bracketed]] are deleted, words underscored and/or >>double arrowed<< are added.

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

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

Section 2. The requirement in the Administrative Rules that the maximum aggregate amount of Project 320 allocations to each Targeted Urban Area be capped at $3,000,000.00 is waived for Tacolcy Tuscany Cove I, LLC with regard to the Project and an allocation of up to $2,000,000.00 from Project 320 funds to Tacolcy Tuscany Cove I, LLC for the Project is approved, subject to the future consideration by this Board of a Grant Agreement between the County and Tuscany Cove and the Recaptured Funds becoming available for re-allocation.

>>**Section 3.** Should this Board also approve the allocation of up to $1,100,000.00 from Project 320 funds to Jessie Trice Community Health Center Inc. (File No. 160759) at the same Board meeting at which this Resolution is adopted, this Board desires that any Recaptured Funds be allocated first to the Jessie Trice Community Health Center Inc. up to $1,100,000.00 and then subsequently to Tacolcy Tuscany Cove I, LLC up to $2,000,000.00.<<

Section >>4<<[[~~3~~]]. The allocation to Tacolcy Tuscany Cove I, LLC shall be made from any remaining Project 320 funds that has been unallocated as of the effective date of this resolution and any remaining balance shall be allocated from Recaptured Funds, if any. The County Mayor or the County Mayor's designee is hereby directed to commence the negotiation of the grant agreement effectuating this resolution upon the availability of any portion of the allocated Project Funds.

Section >>5<<[[4]]. The County will reallocate Recaptured Funds to projects in the order in which projects are allocated Project 320 Funds (i.e. the oldest allocation will receive Recaptured Funds first). Recaptured Funds shall be allocated to each project as such Recaptured Funds become available until such project is fully funded in the amount of the allocation approved by this Board.

Section >>6<<[[5]]. The County Mayor is directed to complete the negotiation of the terms of a Grant Agreement with Tacolcy Tuscany Cove I, LLC pursuant to the Administrative Rules within six months from the effective date of this resolution. The County Mayor shall present the negotiated Grant Agreement to this Board for its consideration, provided, however, if the County Mayor is unable to successfully negotiate the terms of such Grant Agreement within the requisite time period, a report detailing the status of the negotiations shall be presented to this Board instead at its next scheduled meeting following the expiration of the negotiation period and placed on an agenda of the Board pursuant to Ordinance No. 14-65.

The Prime Sponsor of the foregoing resolution is Commissioner Audrey M. Edmonson. It was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **José "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

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

The Chairperson thereupon declared the resolution duly passed and adopted this 17th day of May, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

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

HARVEY RUVIN, CLERK

By: Christopher Agrippa
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. JRA

Juliette R. Antoine

Exhibit A

TACOLCY ECONOMIC DEVELOPMENT CORPORATION

March 11, 2016

Mr. Jack Osterholt, Director
Regulatory and Economic Resources Department
Stephen P. Clark Center
111 NW 1st Street, Suite 1900
Miami, FL33128

RE: TUSCANY COVE I

Dear Mr. Osterholt:

Please find enclosed the application for the General Obligation Bond Program for Tuscany Cove I. If you have questions or require additional information, please contact me at the telephone number listed below.

Sincerely,

Carol Gardner

Carol Gardner
President

675 N.W. 56th STREET, BUILDING C • MIAMI, FLORIDA 33127
TEL: (305) 757-3737 FAX (305) 757-5856 EMAIL: tedc@tedcmiami.org

To: Jack Osterholt, Director
Regulatory and Economic Resources Department
Stephen P. Clark Center
111 NW 1st Street, Suite 1900
Miami, FL 33128

TUSCANY COVE I

PROPOSED 100 ELDERLY RESIDENTIAL UNITS
5500 NW 7th AVENUE MIAMI, FLORIDA

General Obligation Bond Program
PROJECT: TUSCANY COVE

Submitted By:

Tacolcy Economic Development Corporation
675 NW 56th Street, Building C, Miami, FL 33127
Tel: 305.757.3737 Fax: 305.757.5856

March 11, 2016

Economic Development Fund

Building Better Communities
General Obligation Bond Program

EDF General Project Overview

Tuscany Cove

Project Title

Tacolcy Economic Development Corporation

Name of Business

3-11-16

Date Submitted

After review of this *Project Overview* the Office of Economic Development and International Trade may request additional information including a business plan containing a market assessment, financial proformas, and development site plans. The submission of this project overview does not guarantee funding.

Jack Osterholt, Director
Regulatory and Economic Resources Department
STEPHEN P. CLARK CENTER, 111 N.W. 1st STREET, SUITE 1900
MIAMI, FLORIDA 33128
Telephone (305) 375-1254 Fax (305) 679-7895
www.miamidade.gov/oedit

MIAMI-DADE COUNTY

ECONOMIC DEVELOPMENT, GENERAL PROJECT OVERVIEW

MIAMI-DADE COUNTY

1. BUSINESS INFORMATION

A. Name of Business Unit: Tacolcy Economic Development Corporation

B. Mailing Address: 675 NW 56th Street, Bldg. C
Street Address

Miami — Florida — 33127
City — *State* — *Zip Code*

C. Primary Contact Person of Parent Company (if applicable):
Darren Smith

D. Title: Consultant

Mailing Address: c/o Tacolcy Economic Development Corporation 675 NW 56th Street, Bldg C
Street Address

Miami — Florida — 33127
City — *State* — *Zip Code*

Telephone: 561-859-8520 **Fax:** (305) 757-5856

Email: dsmith@smithhenzy.com **Website:** www.smithhenzy.com

E. Federal Employer Identification Number: 59-2246692

F. Unemployment Compensation Number:

G. Florida Sales Tax Registration Number:

H. What is the business's tax year? (ex: Jan 1 to Dec 31): Jan 1 - Dec 31

I. Is this business an active and duly registered for-profit Florida corporation?
Yes ☐ No ☑ If no, please explain: 501c3 entity

Indicate ownership status: (Note: Responding to this question is voluntary and not required. The County does not use this information as a factor in determining the award of County funds or contracts.) Check all that apply.
Minority Owned Business ☑ Woman Owned Business ☑ Privately Owned Business ☐
Publicly Owned Business ☐ None ☐

Is this business an active and duly registered not-for-profit 501(C)(3) Florida corporation?
Yes ☑ No ☐

J. Will the business requesting grant funds own or lease the property where the project will be located?
Own ☑ Lease ☐ (Note: Provide a copy of the deed showing ownership or a copy of the lease.)

K. If the business will own the property, is or will the property be encumbered by any mortgage and if so provide the balance of the mortgage(s). Please see Exhibit 1

2. PROJECT OVERVIEW

A. Which of the following best describes this business[1]:

☐ New business unit to Miami-Dade County creating jobs.

☐ Existing Miami-Dade County business creating/expanding jobs in Miami-Dade.
(If an expansion, how many jobs are currently in the expanding business unit?) _____

☑ Developer building new construction for business Tacolcy Economic Development Corporation that will be creating 200 jobs.

[1] Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

B. **How many individuals are employed at all Florida locations? (FTE[2])**
20

C. **Are any jobs being transferred from other Florida locations?** _____
Yes ☐ No ☑ If yes, how many jobs and from where? _____

Why are these jobs being transferred? _____

D. **Project Location Information:**

(i) What is the project's proposed location address:
5900 NW 7th Ave

Street Address

Miami	Florida	33127
City	*State*	*Zip Code*

(ii) What is the project's <u>current</u> location address (if different):

Street Address

City	*State*	*Zip Code*

(iii) Is the project location within a current or proposed Brownfield site / area?
Yes ☐ No ☑ If yes, attach a copy of the official document designating the Brownfield area.

(iv) Is the project location in an Enterprise Zone, Empowerment Zone or a Targeted Urban Area as defined in Section 30A-129(2) of the Miami-Dade County, FL Code of Ordinances?
Yes ☑ No ☐ If yes, which zone? Central - Enterprise zone and North Central - Empowerment zone and TUA

E. **Give a full description of this proposed project. (Not to exceed 500 words. Be specific.)**
See Exhibit 2

F. **Explain how this proposed project will spur economic development, attract new businesses to Miami-Dade County and create jobs.**
see Exhibit 3

G. **Provide a complete project line item budget, including estimated cost, sources and uses of funds, a detailed description of project elements, and the portion of the project proposing to utilize Economic Development Fund grants. (EDF grants can only be used for public infrastructure.)** see Exhibit 4

H. **What proportion of gross operating revenues from this project are anticipated to represent sales to customers located outside of Miami-Dade County?** (If sales are not a reasonable measure, use another basis for measure and provide explanation below.)

0 % Explain, if necessary: _____

[2] An FTE or "full-time equivalent" job implies at least 35 hours of paid work per week per employment position.

3. JOB AND WAGE OVERVIEW

A. How many new FTE jobs are to be created as part of this project? What are the initial average wage and benefits?

Occupation	Avg Wage	Avg Benefits	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Property Mgr.	$ 43,000	$ 1,500	$ 43,000	$ 43,000	$ 44,720	$ 44,720	$ 46,509	$ 46,509
Leasing Agent	$ 29,000	$ 1,500	$ 29,000	$ 29,000	$ 30,160	$ 30,160	$ 31,366	$ 31,366
Sr. Maint Tech.	$ 40,000	$ 1,500	$ 40,000	$ 40,000	$ 41,600	$ 41,600	$ 43,264	$ 43,264
Jr. Maint. Tech.	$ 35,000	$ 1,500	$ 35,000	$ 35,000	$ 36,400	$ 36,400	$ 37,856	$ 37,856
Porter	$ 21,000	$ 1,500	$ 21,000	$ 21,000	$ 21,840	$ 21,840	$ 22,713	$ 22,713
Housekeeper	$ 21,000	$ 1,500	$ 21,000	$ 21,000	$ 21,840	$ 21,840	$ 22,713	$ 22,713

Jobs created, continued

Occupation	Year 20__	Year 20__	Year 20__	Year 20__	Year 20__	Year 20__	Year 20__	Year 20__	Year 20__

B. What employee benefits are included above? (e.g. health insurance, 401(k) contributions, vacation and sick leave, etc.) Employee benefits will include : health insurance, life insurance , 401(k) non-matching and paid vacation and sick leave.

C. If this is an existing business located in Miami-Dade, then how many jobs are expected to be retained as part of this project? (Jobs in jeopardy of leaving Miami-Dade should only be included here.) _____ (Note: EDF grants cannot be used solely for the purpose of retaining existing jobs.)

D. What is the business' principal industry classification code? (Use North American Industry Classification System – NAICS.): 531110

If more than one NAICS code applies, then provide a breakdown of the project's primary business activities:

Business Unit Activities	NAICS Code	% of Project Revenues (Total = 100%)	Annualized Wages Total ($)
Lessor of Residential Bldgs & Dwellings	531110	100 %	$ 189,000
		%	$
		%	$

4. CAPITAL INVESTMENT OVERVIEW

A. Describe the capital investment in real and personal property (Examples: construction of new facility; remodeling of facility; upg rading, replacing, or buying new equipment. Do not include the value of land purchased for construction of a new building but include architect, engineering and design costs). The capital investment will consist of the construction of a 160 unit residential building, the acquisition of energy efficient appliances, windows and mechanical systems, architect fees, engineering fees, zoning fees, impact and concurrency fees and the purchase of common area furniture, fixtures, gym equipment and computers.

B. List the anticipated amount (thousands of dollars) and type of major capital investment to be made by the applicant in connection with this project: (Attach separate schedule if investment will be made over more than five years)

	Year 2016	Year 2017	Year 2018	Year ____	Year ____
Land	$ 0	$	$	$	$
New Construction (excl. public infrastructure)	$ 3.80 mn	$ 11.40 mn	$ 7.60 mn	$	$
Building Renovations	$	$	$	$	$
Manufacturing Equipment	$	$	$	$	$
R & D Equipment	$	$	$	$	$
Other Equipment (computer equipment, office furniture, etc)	$ 0	$ 75K	$ 75K	$	$
Total Capital Investment	$ 3.80 mn	$ 10.475 mn	$7.675 mn	$	$

C. What is the estimated square footage of the new or expanded facility? 224,185

D. What is the deadline to make the location decision (date)? N/A

E. What is the anticipated date that construction will begin? 8/1/16

F. What is the anticipated construction completion date? 6/1/17

(If this project is being built in phases, then provide a commencement and completion date for each phase.)

G. What is the anticipated date that operations will commence? 2/1/18

H. Submit documentation demonstrating financial capacity and financial commitments using other non-County sources to complete the project. Exhibit 5

5. PUBLIC INFRASTRUCTURE NEEDS

A. Describe the type of public infrastructure investment needed. Need to pay for the following: street lights, side walks, W& S drain connection on public street, construction of retail space and covered parking structure for retail space of property.

B. What is the total anticipated cost of public infrastructure needed for this project? $ 2,000,000

C. EDF grants will be disbursed only after the public infrastructure investments are complete and negotiated performance benchmarks are met. Describe the business's capacity to finance the public infrastructure costs. Affordable housing transaction that will be financed with bonds, LIHTC equity and State/County subsidy

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

A. Provide a brief synopsis of any special economic impacts/benefits the project is expected to stimulate in the community, the County, and the rest of South Florida. See Exhibit 3

B. Will business operations being supported with an Economic Development Fund grant establish a plan for maximizing the employment of persons with family incomes less than 80% of the County's median household income, or persons living in Census Block Groups where 50% of residents live in households with income less than 80% of the median? If yes, explain how that plan will be developed and implemented. No

C. Will the business operations be conducted in LEED certified (or equivalent energy efficiency rating system) buildings? If yes, at what level of certification

Yes ☑ No ☐ The building will contain all energy efficient appliances, energy star rated impact windows and energy efficient electric and mechanical systems.

D. List and explain any criminal or civil fines or penalties or ongoing investigations or debarments that have been performed/imposed upon the company, its executives, its principals or its affiliates and any bankruptcy proceedings (within the past 10 years) of the applicant or its parent company. Do not leave this question blank. If there are no issues to be identified, write "NONE." Failure to disclose this information may result in this application being denied. None

E. Is the company current with all its state, local and federal taxes? If no, please explain.

Yes ☑ No ☐

F. Provide any additional information you wish considered as part of this review of your request for incentives or items that may provide supplementary background information on your project or company.

7. SIGNATURES

Application Completed By:

Carol Gardner
Signature

Carol Gardner
Name

President
Title

Tacolcy Economic Development Corporation
Company

SAME
Address, if different than mailing address

305-757-3737
Phone number

305-757-5856
Fax Number

cgardner@tedcmiami.org
Email Address

3/11/2016
Date

Darren Smith
Name of contact person, if different than above

561-859-8520
Phone Number

Address

Address

cgardner@tedcmiami.org
Email Address

To the best of my knowledge, the information included in this application is accurate.

Carol Gardner
Signature (Authorized Company Officer) REQUIRED

Carol Gardner
Name

Managing Member
Title

Tacolcy Tuscany Cove I, LLC- a wholly owned entity of Tacolcy Economic Development Corporation
Company

SAME

Address, if different than mailing address

305.757.3737
Phone number

305.757.5856
Fax Number

cgardner@tedcmiami.org
Email Address

March 11, 2016
Date

Exhibit 1	
Mortgage Encumbrances	
1st Mortgage - Freddie Mac	$ 9,020,221
2nd Mortgage - FHFC	$ 3,724,999
3rd Mortgage - Miami-Dade PHCD	$ 3,328,000
Total	**$ 16,073,220**

Exhibit 2

Tuscany Cove - Project Description

Tuscany Cove is a new construction 160 unit elderly property located in Liberty City at 5900 NW 7th Avenue, Miami, FL 33127. The building will be a mid-rise and will have 1 studio, 149 1-bedroom and 10 2-bedroom units. The property will also contain a small retail component on the ground floor and we are currently in the process of securing a tenant. Some of the resident amenities include: covered parking, washer and dryers for each unit, high efficiency Energy Star appliances and luxury vinyl tile throughout the units. The apartment amenities will feature an outdoor courtyard, a large community room, an indoor gym, a media room and a small computer/library room.

The lease will be structured as a triple net lease with a master lease between the partnership and Tacolcy. The architect is Frances-Anillo-Toledo Architects and we are currently in the process of selecting a general contractor. The property will be financed with tax exempt debt issued by Miami-Dade County HFA, 4% credits, a $3.328 million Surtax Loan, a $2.5 million FHFC SAIL loan and a $1.2 million FHFC ELI loan. The land is provided by the City of Miami at no cost and the property manager will be Tacolcy Property Management Corp. Tacolcy will provide the guarantees and Smith & Henzy Advisory Group will be the consultant on the deal. Tacolcy will also hire an experience owner's rep to oversee the construction of the project. This deal is scheduled to close in the 3Q2016. Redstone Equity Partners will be the LIHTC syndicator, Chase will provide the construction loan and Walker & Dunlap will be the Freddie Mac seller/servicer.

EXHIBIT 3

The Tacolcy Economic Development Corporation has developed approximately 300,000 square feet of commercial retail space along the 7th Avenue Business Corridor. Our economic development efforts have attracted major retailers such as Walgreens, Foot Locker, Subway, Game Stop, Payless Shoes and the like which created more than 150 full time jobs. Our development efforts have provided the economic infrastructure to support and attract additional commercial retail along the Corridor - most recently, Miami-Dade County's 7th Avenue Transit Hub and Commercial Retail Center.

Tuscany Cove is also located along the 7th Avenue Business Corridor – the most desired section of 7th Avenue. Its location and competitive rates will be highly appealing to the commercial retail sectors. The Project's daily roadway and highway access is excellent - currently at 24,000 and 210,000 cars respectively. According to the 2000 US Census, the annual spending potential in the surrounding area in approximately $217 million dollars. Tuscany Cove will provide an additional 10,000 square feet of commercial retail space. Given the current economic infrastructure along with the Project's location, competitive rental rates and annual spending potential, we have no doubt that Tuscany Cove will attract new businesses and create additional jobs for the area.

Exhibit 4

Uses of Funds:			Total		GOB Related Cost		Non- GOB Related Cost
Acquisition of Land	0 SQ FT	$	-	$	-	$	-
Hard Cost - Residential		$	21,000,000	$	2,000,000	$	19,000,000
Hard Cost - Parking Garage	0.0 Sq Ft	$	-	$	-	$	-
PHCD Interest	5.00%	$	416,000	$	-	$	416,000
GC Overhead & Profit	0.00%	$	-	$	-	$	-
Hard Cost Contingency	5.00%	$	1,070,800	$	-	$	1,070,800
Interest Costs		$	562,467	$	-	$	562,467
Legal Fees		$	360,000	$	-	$	360,000
Finance Fees		$	886,719	$	-	$	886,719
LIHTC Underwriting & App		$	27,500	$	-	$	27,500
LIHTC Admin Fee		$	132,243	$	-	$	132,243
LIHTC Compliance Fee	5.50%	$	66,740	$	-	$	66,740
Real Estate Taxes	0 Per Unit	$	-	$	-	$	-
Architect Fee - Design & Admin		$	258,500	$	-	$	258,500
Engineering Fee		$	250,000	$	-	$	250,000
Insurance	1.00%	$	210,000	$	-	$	210,000
Survey		$	15,000	$	-	$	15,000
Permits & Bank Inspections		$	125,000	$	-	$	125,000
Environmental Audits		$	15,000	$	-	$	15,000
Property Appraisal & Market Study		$	25,000	$	-	$	25,000
Title	1.00%	$	171,701	$	-	$	171,701
F&E		$	150,000	$	-	$	150,000
Cost Certification/Accounting		$	45,000	$	-	$	45,000
Soft Cost & Other Contingency	5.00%	$	184,098	$	-	$	184,098
Marketing	350 Per unit	$	56,000	$	-	$	56,000
Syndication Fees		$	50,000	$	-	$	50,000
Impact Fees		$	325,095	$	-	$	325,095
Conversion		$	10,000	$	-	$	10,000
Operating & Deficit Reserve	6 Months	$	623,556	$	-	$	623,556
Other Reserve	3 Months	$	-	$	-	$	-
Developer Fee	18%	$	4,745,315	$	-	$	4,745,315
Total Uses		**$**	**31,781,733**	**$**	**2,000,000**	**$**	**29,781,733**

Sources of Funds: Permanent		Total	% of Total		Per Net Rentable Residential SF		Per Net Buildable SF		Per Unit
Permanent Loan	$	9,020,221	28%	$	74.84	$	40.24	$	56,376
Tax Credit Equity	$	13,346,578	42%	$	110.74	$	59.53	$	83,416
SAIL Loan	$	2,524,999	8%	$	20.95	$	11.26	$	15,781
ELI Loan	$	1,200,000	4%	$	9.96	$	5.35	$	7,500
Surtax	$	3,328,000	10%	$	27.61	$	14.84	$	20,800
GOB Grant	$	2,000,000	6%	$	16.59	$	8.92	$	12,500
Deferred Development Fee	$	361,935	1%	$	3.00	$	1.61	$	2,262
Total Sources of Funds	**$**	**31,781,733**	**100%**	**$**	**263.71**	**$**	**141.77**	**$**	**198,636**

Uses of Funds:		Total	% of Total		Per Net Rentable Residential SF		Per Net Buildable SF		Per Unit
Land Acquisition	$	-	0%	$	-	$	-	$	-
Hard Cost	$	22,486,800	71%	$	186.58	$	100.30	$	140,543
Soft Cost	$	3,926,062	12%	$	32.58	$	17.51	$	24,538
Reserves	$	623,556	2%	$	5.17	$	2.78	$	3,897
Development Fee	$	4,745,315	15%	$	39.37	$	21.17	$	29,658
Total Uses of Funds	**$**	**31,781,733**	**100%**	**$**	**263.71**	**$**	**141.77**	**$**	**198,636**

CHASE

March 8, 2016

Mr. Darren Smith
Principal
Smith & Henzy Advisory Group
1079 Mulberry Way
Boca Raton, FL 33486

Re: **Tuscany Cove**
5900 NW 7th Avenue
Miami, Florida 33127

Dear Mr. Smith:

Thank you for considering JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or "Lender") as a potential construction lender for the proposed acquisition and rehabilitation of affordable rental housing at **Tuscany Cove I,** Miami-Dade County, Florida. We have completed a preliminary review of the materials you have submitted, and the following is a brief outline of the terms that we propose to underwrite for credit approval. Of course, this letter is for discussion purposes only and does not represent a commitment by JPMorgan Chase to provide financing for the project nor an offer to commit, but is rather intended to serve as a basis for further discussion and negotiation should you wish to pursue the proposed transaction. Our interest and preliminary terms are subject to change as our due diligence and discussions with you continue. Such a commitment can only be made after due diligence materials are received, reviewed and approved and credit approval has been obtained.

Borrower:	Tacolcy Tuscany Cove I, LLC
Developer:	Tacolcy Economic Development Corporation
Project:	Tuscany Cove I consist of a 160-unit affordable rental property located at 5900 NW 7th Avenue, Miami-Dade County, Florida. 100% of the units will be targeted towards households earning 60% or less of the AMI.
Facility/Amount:	Chase as the Initial Funding Lender will originate and fund a loan (the "Funding Loan") in the principal amount of up to $17,950,000 to the Housing Finance Authority of Miami-Dade County (the "Governmental Lender") pursuant to the terms of the Funding Loan Agreement by and among Chase, the Governmental Lender and the Fiscal Agent (the "Funding Loan Agreement") and

JPMorgan Chase Bank, N.A. • 450 South Orange Avenue, 10th Floor, Orlando, FL 32801
Telephone: 407.236.7082 • Facsimile: 407.279.3401
tammy.haylock-moore@chase.com

	evidenced by the tax exempt note of the Governmental Lender to Chase (the "Government Note"). The Funding Loan will be made on a draw-down basis, the proceeds of which will be used by the Governmental Lender to fund a loan to the Borrower (the "Project Loan") in the corresponding amount pursuant to the terms of a Project Loan Agreement by and among the Governmental Lender, the Fiscal Agent and the Borrower (the "Project Loan Agreement") and advanced under the further terms of the Construction Disbursement Agreement between Chase and the Borrower. The Funding Loan and the Project Loan are collectively referred to as the "Loan". The Loan is subject to acceptable final budget, sources and uses, LIHTC equity pay-in schedules, and final underwriting.
Initial Term:	30 months.
Interest Rate:	Libor + 200 bps (2.44% as of March 2, 2016).
Commitment Fee:	1% of the loan amount.
Extension Option:	One, conditional, six-month maturity extension.
Extension Fee:	0.25% of the remaining loan commitment amount.
Collateral:	First mortgage; other typical pledges and assignments.
Guarantee:	Full payment and completion guarantees and environmental indemnity a guarantor or guarantors/indemnitor(s) satisfactory to JPMorgan Chase.
Developer Fee:	Assigned to Lender. Notwithstanding provisions of the LP or LLC Agreement, any payments of developer fee prior to permanent debt conversion are subject to Lender's prior approval and control.
Tax Credit Equity:	Approximately $13,349,213 of which at least 15% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to the Lender in its sole discretion.
Subordinate Liens:	Subordinate financing will be permitted subject to approval of terms by JPMorgan Chase and Impact.
Repayment:	Construction Loan will be repaid with principal reductions from equity funded at or subsequent to construction completion.

Loan to Value:	An appraisal of the subject Project will be completed in accordance with the requirements of Chase and Freddie Mac. During Construction, the appraisal must demonstrate a loan to value ratio for the proposed Funding Loan not to exceed 80% on an "as completed and stabilized" basis, including the contributory value of the Low Income Housing Tax Credits and other collateral acceptable to Chase.
Contract Bonding:	100% Payment and Performance Bonds from "A" rated surety

We appreciate the opportunity to discuss the possibility of providing construction financing for the proposed project with you. This letter of interest is for your, the local subsidy allocating agency and Florida Housing Finance Corporation's information and use only, and is not to be shown to or relied upon by other parties. Please note that JPMorgan Chase and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein or otherwise. JPMorgan Chase and its affiliates may share information about you in connection with the potential transaction or other possible transactions with you.

This letter, which expires December 31, 2016 serves as an outline of the principal terms of the proposed facility, and is subject to receipt and satisfactory review of all due diligence materials by Lender and to change as described above. Please note, JPMorgan Chase cannot extend any legally binding lending commitment until formal credit approval has been obtained and a commitment letter has been issued.

JPMORGAN CHASE BANK, N.A.

By: _____
Tammy Haylock-Moore, Authorized Officer

Agreed and Accepted By:

Tacolcy Tuscany Cove I, LLC, a Florida Limited Liability Company

Carol Gardner Date: 3/7/16
By: Carol A. Gardner
Title: President

REDSTONE
EQUITY PARTNERS

March 2, 2016

Ms. Carol Gardner
President
Tacolcy Economic Development Corporation
675 N.W. 56th Street, Building C
Miami, FL 33127

Re: Tuscany Cove
Miami, FL

Dear Ms. Gardner,

Red Stone Equity Partners, LLC ("Red Stone") is pleased to be given an opportunity to submit a proposal on Tuscany Cove ("Project") located in Miami, Florida. This letter serves as an outline of the business terms regarding the acquisition of limited partnership interests in a to-be-formed Limited Partnership (the "Partnership") that will own the Project. Red Stone or its designee (the "Limited Partner") will acquire a 99.99% limited partnership interest (the "LP Interest") and a 0.001% special limited partnership interest (the "SLP Interest") in the Partnership. The terms of this proposal are subject to ratification and countersignature by Red Stone's investment committee as described below. Furthermore, this proposal is neither an expressed nor implied commitment by Red Stone or any of its affiliates to provide equity financing to the Project. Any such commitment shall only be as set forth in a to-be-negotiated agreement of limited partnership and will be subject to, among other things, (i) satisfactory transaction structure and documentation, (ii) satisfactory due diligence, including third party reports and (iii) other standard conditions for transactions of this type as described more fully in Paragraphs 13 and 14 below.

1. **Project Information.** The Partnership has been formed to acquire, own, develop and operate the Project, which is anticipated to be eligible to claim Low Income Housing Tax Credits ("Housing Credits") under Section 42 of the Internal Revenue Code. The Project will consist of 160 residential units for rent to low-income seniors aged 62 and above. The Project will consist of 1 residential buildings located at 5900 NW 7th Avenue, located in the City of Miami, Miami-Dade County, within the State of Florida. Within the Project, 160 of the units are expected to be Housing Credit compliant, with no additional units being designated as management units. The residential units mix shall reflect the detail below and shall conform to any other set-asides as required by the Florida Housing Finance Corporation. The means for such conformance shall be reviewed by and be acceptable to Red Stone.

2 Grand Central Tower, 140 East 45th Street
15th Floor New York, NY 10017
TEL 212-297-1800 WEB: www.redstoneco.com
Charlotte • Chicago • Cleveland • Los Angeles • New York

Unit Type	Number of Units	Income Restrictions
0BR/1BA	1	33% AMI
1BR/1BA	14	33% AMI
2BR/2BA	1	33% AMI
1BR/1BA	135	60% AMI
2BR/2BA	9	60% AMI

The construction and lease-up schedule expected for the Project, and upon which the credit pricing and deal terms are contemplated herein, are as follows:

Benchmark	Date
Closing Date	August 1, 2016
Completion Date	June 1, 2018
First Unit Leased	July 1, 2018 (for tax credit delivery)
Last Unit Leased	September 30, 2018
Stabilized Operations	January 1, 2019

2. **Project Ownership**. A to-be-formed entity controlled by Tacolcy Economic Development Corporation, Inc. ("TEDC"), (the "General Partner") will be a taxable, single purpose, bankruptcy remote entity with a 0.009% ownership interest in the Partnership. Any change in the ownership of the General Partner shall be subject to Red Stone's consent. The anticipated ownership structure and other key Project participants are set forth below.

Entity	Name	Ownership Interest
General Partner*	To be formed	0.009%
Limited Partner	RSEP Holding LP	99.99%
Special Limited Partner	Red Stone Equity Manager, LLC	0.001%
Developer	TEDC	[illegible]
Guarantors[1]	Developer and General Partner	[illegible]
General Contractor	TBD	[illegible]
Property Manager	Tacolcy Property Manager Corporation, Inc.	[illegible]

[1] The Guarantors will guarantee certain of the General Partner's obligations set forth in Paragraph 7 herein, will do so on a joint and several basis, and will be subject to the review and approval of Red Stone.

3. **Tax Credits.** The Project will have received an allocation of 4% Housing Credits from the Florida Housing Finance Corporation (the "Agency") for the year 2016 in an annual amount of $1,213,686. The total Housing Credits anticipated to be delivered to the Partnership is $12,136,860 (the "Projected Federal LIHTC").

The following schedule sets forth the assumed delivery of the Projected Federal LIHTC.

Year	Housing Credits
2018	$506,335
2019	$1,213,686
2020	$1,213,686
2021	$1,213,686
2022	$1,213,686
2023	$1,213,686
2024	$1,213,686
2025	$1,213,686
2026	$1,213,686
2027	$1,213,686
2028	$707,351

Any decision to delay the commencement date of the Housing Credit period beyond 2018 is subject to Red Stone's consent. In addition, any decision to commence the Housing Credit period prior to July 1, 2018 is subject to Red Stone's consent.

4. **Capital Contribution.** Red Stone will acquire its Limited Partner Interest in the Partnership for a total capital contribution of $13,349,211, subject to adjustment in Paragraph 5 below. This capital contribution is based on the following pricing:

Credit Type	Total amount	LP amount	Pricing Factor	Equity
Projected Federal LIHTC	$12,136,860	$12,135,650	$1.10	$13,349,211
			Total	$13,349,211

The above pricing assumes 100% of residential depreciation being taken over 27.5 years; 100% of depreciation on site improvements being taken over 15 years; and 100% of depreciation on personal property being taken over 5 years. The allocation of the depreciable line items is subject to Red Stone's review and approval.

Red Stone will fund its capital contribution pursuant to the following schedule:

A. 15.00% ($2,002,382) shall be paid upon the later of (a) the execution of the Partnership Agreement, (b) receipt and approval of all due diligence items on Red Stone's due diligence checklist, (c) receipt by the Partnership of commitment for a non-recourse permanent loan acceptable to Red Stone, (d) receipt of commitments of the additional financing sources described in Paragraph 11, and (e) closing and initial funding of the construction loan and the soft loans.

B. 65.00% ($8,676,987) upon the later of (a) satisfaction of the funding conditions described in (A) above, (b) receipt of temporary certificates of occupancy, (c) receipt of an architect's certificate of lien-free substantial completion, (d) receipt of a preliminary cost certification from an independent certified public accountant and (e) July 1, 2018.

C. 15.00% ($2,002,382) upon the later of (a) satisfaction of the funding conditions described in (B) above, (b) receipt of permanent certificates of occupancy, (c) receipt of the final cost certification from an independent certified public accountant, (d) repayment of the construction loan and funding of the Project's permanent mortgage (or such condition will be met concurrently with the payment of this installment), (e) satisfaction of all funding conditions required for the permanent mortgage, including without limitation, three consecutive months of a 1.15 to 1.00 Debt Service Coverage ratio ("DSC") and 90 days of 90% occupancy, (f) achievement of 100% qualified occupancy, (g) calculations of the preliminary adjusters have been prepared, and (h) January 1, 2019.

D. 5.00% ($667,461) upon the later of (a) satisfaction of the funding conditions described in (C) above, (b) receipt of IRS Form 8609s and a recorded extended use agreement, (c) receipt and review of an acceptable initial tenant file audit, (d) calculations of final adjusters have been prepared.

5. **Adjusters**.

A. Increase or Decrease in Housing Credits. In the event that actual Housing Credits as determined by the cost certification and 8609s exceeds Projected Federal LIHTC, Red Stone will pay an additional capital contribution equal to the product of (i) $1.10 (subject to yield maintenance in Red Stone's sole discretion) multiplied by (ii) the difference between the actual Federal LIHTC and the Projected Federal LIHTC. In the event that actual Housing Credits as determined by the cost certification and 8609s are less than Projected Federal LIHTC, Red Stone's capital contribution will be reduced by an amount equal to the product of (i) $1.10 multiplied by (ii) the difference between the Projected Federal LIHTC and the actual Federal LIHTC ("Adjustment Amount"). If the Adjustment Amount exceeds the total of all unfunded capital contributions, then the General Partner will make a payment (which payment shall be guaranteed by the Guarantors) to the Partnership equal to the amount of such excess, and the Partnership will immediately distribute such amount to Red Stone as a return of its capital contribution.

B. Timing of Housing Credit Delivery. In addition to the Adjustment Amount, Red Stone's capital contribution will be similarly reduced in the event that the actual delivery of Housing Credits is slower than the anticipated schedule set forth in Paragraph 3. The amount (the "Late Delivery Adjustment") of this reduction will equal the product of (i) $0.65 multiplied by (ii) the difference in the Projected Federal LIHTC and actual Housing Credits for such years are less than the amounts shown in Paragraph 3. Conversely, in the event that the actual delivery of Housing Credits exceeds the anticipated schedule set forth in Paragraph 3, Red Stone will pay an additional capital contribution (the "Early Delivery Adjustment") equal to the product of (i) $0.35 multiplied by (ii) the difference between actual Housing Credits and the Projected Federal LIHTC. Red Stone will pay such additional capital contribution at the funding of its final capital contribution installment.

Notwithstanding the above, in no event will the net additional Capital Contribution to be paid by Red Stone exceed 5% of the total original Capital Contribution amount, and Red Stone will pay such additional Capital Contribution at the funding of its final capital contribution. Such additional Capital Contribution will be used to pay any outstanding fees owed to Red Stone and then will be distributed in accordance with the provisions of Paragraph 10(B), below.

6. **Reserves**. The Partnership will fund the following reserves:

   A. Operating Reserve. The Partnership will fund and maintain an Operating Reserve to be funded from the Third Capital Contribution in an amount of $623,556 (the "Minimum Balance"). Any release of funds from the Operating Reserve will be subject to Red Stone's consent. Withdrawals up to the amount of $311,778 may be made from the Operating Reserve prior to funding pursuant to Paragraph 7(B)(ii) below. To the extent the balance of the Operating Reserve is less than the Minimum Balance at the expiration of the ODG Period as described in Paragraph 7(B)(ii) below, the General Partner shall cause the Operating Reserve to be replenished back to the Minimum Balance, or the ODG Period shall be extended until such Operating Reserve has been replenished. The Operating Reserve shall remain an asset of the Partnership and shall be subject to distribution in accordance with Paragraph 10(C) below, subject to the approval of any project lenders.

   B. Replacement Reserve. The Project operating expenses will include the funding of a Replacement Reserve in the amount of $250 per unit or such other amount specified by the project lenders increasing by 3% per annum. Any release of funds from the Replacement Reserve will be subject to Red Stone's consent.

7. **Guarantees**. The Guarantors will guarantee the following obligations of the General Partner:

   A. Construction Completion Guarantee. The Guarantors shall guarantee the General Partner's obligation of lien-free completion of the Project in accordance with the plans and specifications approved by Red Stone for the amount set forth in the approved project development budget. The Construction Completion Guarantee will provide that the Guarantors shall pay any amount in excess of the approved project development budget as well as any Project deficiency arising prior to Stabilized Operations (as defined in Paragraph 7(B) below). Payments made under this guaranty will not constitute loans to the Partnership or capital contributions and no Guarantors will have any right to receive any repayment on account of such payments. Further, in the event of cost overruns related to the approved project development budget, the General Partner has the ability to defer additional development fee in order to cover theses cost overruns, subject to Red Stone's approval.

   B. Operating Deficit Guarantee. The Guarantors will agree to advance to the Partnership any amounts required to fund operating deficits arising after the expiration of the Construction Completion Guarantee, if needed, as follows:

Third Capital Contribution	$544,565
Fourth Capital Contribution	$667,461

The deferred amount will be payable out of available cash flow and will mature on the 15th anniversary of the placed-in-service date ("Maturity Date"). If the deferred portion of the developer fee has not been repaid upon the Maturity Date, the General Partner will be required to advance the Partnership the amount equal to the unpaid balance of the deferred amount.

B. Property Management Fee. The property management fee will not exceed a total of 4% of gross collected rents. The appointment of, and terms of the property management agreement, are subject to the prior approval of Red Stone.

C. Asset Management Fee. The Partnership will pay Red Stone an annual asset management fee in an amount equal to $5,000 per annum. The asset management fee will be paid annually and such fee shall accrue beginning on January 1, 2017, with the first payment due and payable on or before March 1, 2018, and each anniversary thereafter. The asset management fee will increase annually by 3%.

D. Incentive Management Fee. An incentive management fee may be payable to the General Partner on an annual basis in an amount equal to 90% of net cash flow, or such other amount as determined by and acceptable to tax counsel to Red Stone.

10. **Distribution of Tax and Cash Benefits.**

A. Tax Benefits. Tax profits, tax losses, and tax credits arising prior to the sale or other disposition of the Project will be allocated 99.99% to the Limited Partner, .001% to the Special Limited Partner and .009% to the General Partner. The Limited Partner will have the right in its sole discretion to undertake a limited deficit restoration obligation at any time during the term of the Partnership.

B. Net Cash Flow Distributions. Distributions of net cash flow, as defined in the Partnership Agreement, but generally all cash receipts less cash expenditures (e.g., payment of debt service and property management fee), will be made as follows:

(i) to the Limited Partner in proportion to any tax liability incurred by such partner;

(ii) to the Limited Partner, to make any payment of any unpaid tax credit adjuster or any tax credit shortfall or other debts owed to the Limited Partner;

(iii) to the Limited Partner as payment of any unpaid Asset Management Fee;

(iv) to the payment of any unpaid developer fee, until such fee has been paid in full;

(v) to the payment of any debts owed to the General Partner;

(vi) 90% to the payment of any incentive management fee, or such other amount as determined by and acceptable to tax counsel; and

credits are delivered to the Investor Member (currently anticipated to be year 2029), the Investor Member shall provide the Managing Member with an option to purchase the project or the Investor Member's interest for the greater of an amount sufficient to (i) pay all debts and liabilities of the Company, and pay the Exit Taxes imposed on the Partners as a result of the sale or (ii) the fair market value.

13. **Due Diligence, Opinions and Financial Projections**. The General Partner will satisfy all of Red Stone's due diligence requirements, including an acceptable local law opinion. The Limited Partner's tax counsel will provide the tax opinion. The Partnership will reimburse the Limited Partner an amount equal to $50,000 toward the costs incurred by the Limited Partner in conducting its due diligence review and for the costs and expenses of Red Stone's counsel and in connection with the preparation of the tax opinion, and for the costs of Red Stone's other third party reports. Red Stone may deduct this amount from its first Capital Contribution and such amount will be payable to Red Stone in the event the General Partner elects not to close the transaction for any reason. The financial projections to be attached to the Partnership Agreement and that support the tax opinion will be prepared by Red Stone based on financial projections provided by the General Partner. The General Partner financial projections will include eligible basis calculations, sources and uses, and cash flow statements.

14. **Partnership Closing**. Final Partnership closing will be contingent upon Red Stone's receipt, review and approval in its sole discretion of all due diligence including the items set forth on its due diligence checklist to be delivered to the General Partner. Final Partnership closing also is contingent upon (i) a satisfactory site visit conducted by Red Stone to determine overall market feasibility, including an analysis of proforma rents and expenses and (ii) Red Stone's review and approval of all third party reports. Red Stone's agreement to acquire the LP Interest on the pricing, terms and conditions contained in this letter are further based on the assumption that the Partnership closing will occur on or before December 31, 2016. Terms and credit pricing herein shall be valid until the Closing Date. Red Stone will use reasonable efforts to keep the tax credit pricing and terms outlined in this letter constant though such date, but Red Stone reserves the right in its sole discretion to modify the tax credit pricing or other terms to be consistent with market conditions.

15. **Exclusivity**. Upon the execution of this Letter of Intent, the General Partner agrees to cease its efforts to obtain financing from other sources. This exclusive arrangement shall terminate should Red Stone notify the General Partner in writing that it does not intend to proceed with this investment any time prior to ratification by the Red Stone investment committee.

Remainder of the page has been left intentionally blank.

Please confirm your acceptance of the terms described in this letter by signing the enclosed counterpart and returning to us at the address set forth on the first page of this letter. The terms of this letter are not binding until countersigned and accepted by an authorized officer of Red Stone.

Sincerely,

By: _____
Name: Chris Murray
Title: Director

The undersigned approves and accepts the terms of this letter agreement and agrees to work with Red Stone.

GENERAL PARTNER:

By: Carol Gardner
Its: President
Date: 3/7/16

GUARANTOR:

By: _____
Its: _____
Date: _____

GUARANTOR:

By: _____
Its: _____
Date: _____

Red Stone acknowledges and accepts the above signature of the General Partner within the terms of this commitment letter. This letter of intent was countersigned by Red Stone on the _____ day of ____, 201_.

By: _____
Title: _____
Date: _____

Walker&Dunlop

March 2, 2016

Mr. Darren Smith
Principal
Smith & Henzy Advisory Group
1079 Mulberry Way
Boca Raton, FL 33486

Re: Tuscany Cove
160 units
Miami, FL

Dear Darren:

Thank you for allowing us to provide you with this Indicative Freddie Mac quote for the permanent financing of Tuscany Cove. The interest rate is based upon the 30/360 method of interest rate calculation. Walker & Dunlop ("W&D") will service this loan, thus we will handle all servicing requests that you may have.

Walker & Dunlop, through our Freddie Mac Program Plus relationship is pleased to present you with the following quotes:

	Freddie Mac Unfunded Forward Tax Exempt Loan
Loan Amount[1]:	$9,315,000
Forward Term[2]:	30 Months
Term:	15 Years
Prepayment[3]:	14.5 Years
Amortization:	35 Years
Interest Rate Spread:	251 bps
Today's Interest Rate[4]:	4.26%
Max Loan to Value[5]:	90%
Min. DSCR:	1.15x

[1]The loan amount is sensitive to an annual NOI of not less than $621,604.
[2]Forward Term: 30 months (50 bps fee for 1st six-month extension).
[3]Prepayment: 10 Year Lockout, followed by Yield Maintenance until 6 months prior to maturity. The loan is pre-payable at 1%, six months before maturity. The loan is open at par for the last 90 days.
[4]Todays Interest Rate is based on the 10-Year Treasury Index of 1.75%. Max Interest Rate to maintain Loan Amount is 4.66%.
[5] Based on an As-Stabilized MAI Appraisal value with of not less than $10,350,000.

Special Conditions

1. Loan Quote is subject to W&D and Freddie Mac Pre-Screen Underwriting Approval.
2. Guarantor to be Tacolcy Economic Development Corporation, Inc., subject to approval by W&D and Freddie Mac. Freddie Mac requires a minimum Net Worth equal to $5 Million or greater and minimum Liquidity of 10% of the loan amount.
3. Subject to site inspection by W&D and Freddie Mac.
4. Pricing is subject to change until interest rate lock.
5. Subject to Underwriting approval of the tax abatement and legal opinion that the property is exempt from Real Estate Taxes.

Other loan provisions will include:

Recourse:	None, other than standard carve outs
Replacement Reserves:	REQUIRED (currently underwritten at $250/unit; Subject to PNA)
Tax Escrow:	REQUIRED
Insurance Escrow:	REQUIRED

Anticipated and estimated transaction costs include:

Origination Fee:	1.00%
Commitment Fee:	2.00% (Refundable at conversion)
Forward Fee:	0.15% of the UPB per annum for each year of the construction phase (or partial year, prorated).
Lender Application Fee:	$18,000 (Includes third party reports deposit)
Lender & Freddie Mac Legal Fee:	$65,000
Freddie Mac Application Fee:	$9,315
Conversion Processing Fee:	$10,000

Upon selection of the Freddie Mac execution and pre-screen underwriting approval by Freddie Mac, we will provide a formal loan application for your review and approval.
We look forward to working with you.

Through its subsidiary Walker & Dunlop, LLC, Walker & Dunlop, Inc. (NYSE: WD) is one of the leading commercial real estate finance companies in the United States, with a primary focus on multifamily lending. As a Fannie Mae DUS®, Freddie Mac Program Plus® Seller and MAP- and LEAN-approved FHA lender, the Multifamily and FHA Finance groups of Walker & Dunlop are focused on lending to property owners, investors, and developers of multifamily properties across the country. **Based on 2015**

production volume, W&D is the #2 Fannie Mae Lender, and the #4 Freddie Mac Lender. The Capital Markets group specializes in financing commercial real estate for owners and investors across the United States, securing capital from large institutions such as life insurance companies, commercial banks, CMBS lenders, pension funds, and specialty finance companies. The Proprietary Capital group develops new financial products and provides institutional advisory, asset management, and investment management services with respect to debt, structured debt and equity, including interim financing. Walker & Dunlop has over 500 employees located in 25 offices nationwide. In 2015, Walker & Dunlop originated $17.8 billion in commercial real estate financing. As of December 31, 2015, the company services $50.2 billion of commercial mortgages and asset manages over 4,800 properties across the country.

We look forward to working with you.

Very truly yours,

Frank M. Baldasare
Senior Vice President

In order to continue discussions, finalize our firm quotes with Freddie Mac and provide you with a loan application, please acknowledge below where indicated.

We hereby acknowledge and agree that Walker & Dunlop is the only lender authorized to submit to Freddie Mac, Fannie Mae or HUD, any proposed financing on the Property.

Agreed to and accepted this 7th day of March, 2016.

BORROWER/SPONSOR

Talcolcy Economic Development Corporation, Inc.

Carol Gardner

By: Carol Gardner

Title: President

Date: 3/7/2016